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POLITICAL SCIENCE ■

Social Policies and Distributional Outcomes

in a Changing Britain

The Conservatives' record on early childhood: policies, spending and outcomes from May 2015 to pre- COVID 2020

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Social Policies and Distributional Outcomes research programme

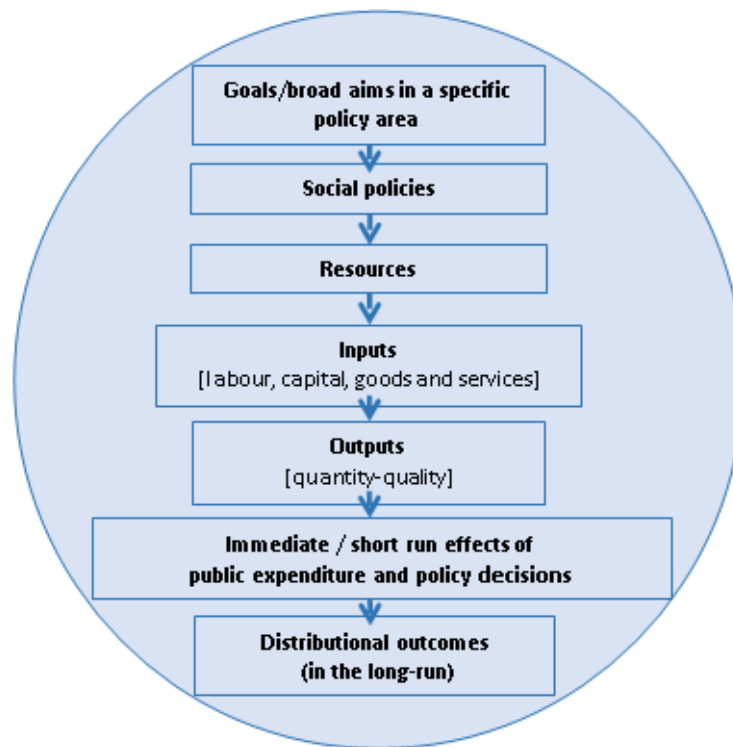
The central objective of the SPDO research programme is to provide an authoritative, independent, rigorous and in-depth evidence base on social policies and distributional outcomes in 21st century Britain. The central question to be addressed is: What progress has been made in addressing social inequalities through social policies? The research programme is ambitious and comprehensive in scope, combining in-depth quantitative analysis of trends in social inequalities and social divides with detailed and systematic public expenditure and social policy analysis across ten major social policy areas over the period 2015-2020, together with broader reflection on the changing nature of social policies and distributional outcomes over the 21st century.

The programme of research adds to (and will reflect on) the previous Social Policies in a Cold Climate (SPCC) research programme covering the period 1997-2015. The SPDO programme will update, extend and broaden our

analysis of public expenditure, social policies and distributional outcomes using the most recent datasets available, resulting in a unique evidence base on trends in social inequalities and social policies going back to 1997. Innovative extensions included within the SPDO research programme include: coverage of additional areas of social policy (e.g. physical safety/security and complex needs/homelessness); emphasis on the new context for social policy making (e.g. devolution and BREXIT); assessment of a broader range of multidimensional outcomes within our quantitative analysis; and the inclusion of additional breakdowns (e.g. migration status). This programme will also have a forward-looking component, identifying the key challenges for social policy in the 2020s.

The current paper is part of work-package 3 of the broader programme, which will provide in-depth and cross-cutting analysis of trends in social policies over the period 2010-2020. The work-package will include analysis within and across ten major social policy areas (social security and overall housing policy; health; social care; early years; compulsory school age education; higher education; employment; safety and security; social mobility; and homelessness / complex needs). The analytical schema for the social policy analysis undertaken within the programme is set out in Figure A below. The figure shows the structure of the analysis, which will address (1) broad policy goals for each policy area; (2) the actual policies and measures adopted in each area; (3) public expenditure trends (including where feasible and meaningful per capita and in relation to demand / need); (4) inputs and outputs (how resources were spent and what was produced from this); (5) overall outcomes achieved.

Figure A: Analytical schema for public expenditure and social policy analysis



Source: adapted from Lupton et al (2013). Note: Arrows denote steps in the analytic chain but not causality through the chain. The background circle denotes the broader universe of other policies, the economy and society, which shape all stages. More information and other publications in the series are available at the project webpage: <http://sticerd.lse.ac.uk/case/new/research/spdo/default.asp>

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1. Introduction

This paper sets out to evaluate early childhood policies in the period from the election of David Cameron's majority Conservative Government in 2010 to early 2020, just before the disruption caused by COVID19. It is part of a wider research programme on Social Policy and Distributional Outcomes (SPDO) that explores policy, spending and outcomes across ten different social policy areas, asking one central question: *What progress has been made in addressing inequalities through social policies?* The paper also stands on its own as an examination of the ways in which government policy in this period affected inequalities in the experiences and opportunities available to young children, those under five years old.

Early childhood is a key lifestage in its own right and all children should have the ability to enjoy it: this is one (important) reason we might be interested in inequalities as they affect young children. But the topic also demands particular attention because of the role that early childhood experiences play in children's development and hence in shaping their future lives. This is a period in which children's brains develop rapidly and in which they start to acquire the social and emotional skills that they will draw on as they grow older (Shonkoff and Phillips, 2000; Waldfogel, 2006). Attempts to reduce inequalities across the lifecourse must start with early childhood to have the best of chance of succeeding.

Recent decades have seen a growing focus on the relationship between policy and early child outcomes. We now know quite a lot both about what young children need and about the sort of policies that help to achieve this. The key policies fall into four broad areas, each of which is considered in the paper:

- **Parental leave policies**, to ensure that children are able to form close early attachments with nurturing and responsive caregivers, that mothers can breastfeed, and that parents can balance paid work with time with children as they grow. Longer periods of paid leave are associated with lower infant mortality rates, better maternal mental health, higher rates of breastfeeding and more preventive health care visits for children (Berger et al, 2005; Chatterji and Markowitz, 2012; Ruhm, 2000; Shim, 2016; Tanaka, 2005). There is also some evidence linking leave to improved child development, particularly for less advantaged children (Ruhm and Waldfogel, 2012). It also matters how leave is shared between parents. Fathers' involvement in childcare has been associated with lower rates of relationship breakdown and even a positive causal impact on child development and school readiness (Norman, Elliot and Fagan, 2018; Cools, Fiva, and Kirkebøen, 2015).

- **Support for parents and parenting**, encompassing support for parents' own mental well-being as well as advice and guidance on what helps children thrive. Both parenting style (sensitivity and responsiveness) and the home learning environment, including parents' teaching behaviour and the materials and resources available, have been found to be important in explaining children's cognitive and social-behavioural-emotional development (O'Connor and Scott, 2007; Ermisch, 2008; Kelly et al, 2011; Waldfogel and Washbrook, 2011).
- **High quality early childhood education and care (ECEC)** that is accessible and affordable. Childcare is essential to enabling parental employment, which in turn raises income. In addition, from age two or three children need to socialise and play together and are likely to benefit from experiences and activities that may not be available at home. Provision needs to be high quality to ensure it promotes children's development, while long hours in poor quality provision can be harmful. High quality provision which promotes child development has been shown to be linked to interactions between adults and children, in turn correlated with higher staff qualifications and pay (Sylva, 2010; Ruhm and Waldfogel, 2012; Parker, 2013; Gambaro et al, 2015b; Mathers et al, 2014).
- **Financial support through cash benefits.** Income poverty has been shown to be damaging to children's development, both because it constrains spending on healthy food, warm housing, books, internet and other educational tools, and because of its impact on parental stress and anxiety, which in turn affect parenting and the emotional home environment (Cooper and Stewart, 2013; Duncan et al, 2014; Cooper, 2017). For many households, paid employment will not be sufficient on its own to avoid poverty during this life stage because of a combination of reduced work intensity and increased household needs. Direct support through cash benefits to households with children therefore has a key role to play.

While in principle there is no barrier to governments acting on all four of these areas at once, in practice policymakers operating within budget constraints face a number of trade-offs in seeking to further the early years agenda. Different governments, and individuals within governments, are likely to take different positions on these trade-offs. One question concerns the right balance between spending on cash benefits and investment in services. A second lies in the design of ECEC services: should they aim primarily to provide affordable childcare for working parents or to promote child development? This is in part a question about whether priority should be given to reducing costs or increasing quality, but it is also about who the beneficiaries of ECEC policy and subsidies should be – all children equally, or children of working parents more than others. Third, and

relatedly, how much attention and spending should be focused on children who face more disadvantages as a result of their home circumstances? Are universal policies – whether related to parenting support, ECEC or cash benefits – sufficient (even optimal) in helping to narrow gaps, or is targeting a better and fairer use of resources?

This paper retains throughout a focus on inequalities. In assessing the record of the Conservative Government over this five-year period we are interested in the attention and resources given to early childhood in general, but particularly in whether policy was successful at narrowing gaps between children from different backgrounds, in their access to high quality services, in the economic resources available to them, and in indicators of early child development.

The paper follows the common framework for the SPDO programme. We begin by discussing the Conservative Government's inheritance – the early years policy landscape in 2015 – and the **goals** which the three successive Conservative administrations set for itself in this area between 2015 and 2020. We go on to look at the **policies** introduced, organised under the four headings above, and the level of public **spending** committed. The paper then examines the evidence on what we call '**inputs**' and '**outputs**': what did the money pay for and what did this mean for families in terms of services accessed and the value of benefits received? Finally, we consider the latest available evidence on early child **outcomes**, including income poverty, child health, and wider social, emotional, physical and cognitive development.

Early education is a devolved responsibility in the UK and policy on services for young children varies across the four UK nations. The focus in this paper is predominantly on England given our interest in evaluating the record of the Conservative administrations in Westminster. In general, discussion of early years services refers to England, while discussion of cash benefits is about the UK as a whole. However, Scotland now also has some devolved powers over benefit policy. Some key differences between the nations are highlighted in the section on policies.

2. The Conservative Government's Inheritance

By the time Cameron returned to office with a 12-seat Conservative majority in May 2015, the importance of a child's first few years, and the principle of early childhood as a legitimate period for government policy action, seemed well established across the political spectrum. The Labour period from 1997-2010 had seen steady expansion of and investment in services and financial support for young children and their families (Stewart, 2013). From 2010, the Coalition Government had repeatedly

emphasised a commitment to improving social mobility and life chances and implemented some high-profile policies aimed at the very young, notably the roll-out of free early education places to disadvantaged two-year-olds (Stewart and Obolenskaya, 2015).

Yet the era of the Coalition was also one of explicit austerity, in which the primary goal was to reduce the deficit in the wake of the 2007-08 financial crisis and subsequent recession (Lupton et al, 2016). Despite the rhetoric regarding life chances, Coalition austerity measures in practice hit families with children under five harder than any other group. These households were the biggest losers from cuts and reforms to cash benefits (De Agostini et al, 2018). Some early years services, including Sure Start children's centres, were severely affected by the squeeze on local authority spending, and there were cuts in per capita funding for childcare and early education (Stewart and Obolenskaya, 2015). In Labour's later years in office, gaps between young children from different backgrounds had appeared to be narrowing for some indicators of early child health and social and cognitive development, but by 2015 there were signs that this progress was starting to stall (ibid).

Within this broad picture of expansion of services followed by partial retrenchment, we set out key aspects of the early years landscape in mid-2015 under our four headings, with particular focus on inequalities, to provide a starting point for the analysis in the paper and context for readers unfamiliar with English early years policy.

Parental leave

Since April 2007 working mothers in the UK have been entitled to 39 weeks paid **maternity leave**, followed by 13 weeks unpaid. The 39 weeks are paid at a low flat rate (£139.58 per week in 2015). A higher rate – 90% of earnings – is available for the first six weeks for mothers who meet the eligibility requirements for statutory maternity pay.¹ While the policy represented a considerable improvement on the 18 paid weeks available in 1997, the UK remains low-ranked in European comparisons, where the modal policy is three months well-paid leave (Stewart and Waldfogel, 2017). Two weeks paid **paternity leave**, paid at the same flat rate, have been available to fathers since 2002, and in 2015 all but the first two weeks of maternity leave became shared parental leave, to be taken by mothers or fathers as the family chooses. An obvious problem is the low rate of pay

¹ To qualify for SMP mothers must have worked for their employer for at least 26 weeks at the 15th week before the expected week of birth and earned on average at least £120 per week. For the flat rate Maternity Allowance mothers must have been employed or self-employed for at least 26 weeks in the 66 weeks before the baby is due and earned at least £30 per week in at least 13 weeks. Mothers will receive the lower of the flat rate or 90% of average previous earnings.

and the fact that men are often the higher earner in a couple, creating a financial disincentive for the father to take a share of the leave available.

Parents have also had the right to up to 13 weeks per child of **unpaid parental leave** since 1999, extended to 18 weeks in 2013, with up to four weeks available in any given year. Since 2003, parents of children under six have had the right request part-time or flexible hours, a right extended to all employees with 26 weeks of service in 2014.

Parenting and parenting support

Since the early 2000s, **Sure Start children's centres** have been the central initiative aimed at providing support and services for parents of young children in England. Initially focused on the most disadvantaged areas and expanded across the country, Sure Start combined health advice and parenting support services with play and learning activities for children aged 0-4, and later more formal early education and childcare provision, in many cases in a single building, often purpose-built. Formal evaluation of the original programme pointed to gains for families and children, including improvements in parenting that were still evident when children reached seven years old, though no measurable impacts on children's cognitive or language development (NESS, 2012). The later Evaluation of Children's Centres in England (2009-2015) found positive associations between centre use and improvements in family functioning, early home learning environment and maternal mental health, with some evidence also for effects on children's behavioural (though not cognitive) outcomes (Sammons et al, 2015). Sure Start has also been causally linked to a reduced chance of hospitalisation due to infection or injury among children of primary school age (Cattan et al, 2019). Benefits were largest in the most disadvantaged areas and were sustained through the primary school years, suggesting a lasting impact on parenting.

Sure Start is funded via local authorities, and from 2011 the service experienced substantial pressure when the ringfence around its funding was removed, against a backdrop of substantial cuts to the local authority funding settlement. Local authorities in England lost 27% of their spending power between 2010-11 and 2015-16 (Hastings et al, 2015). Children's centres ended up harder hit than almost any other service in the country, experiencing a funding reduction of some 40% between 2009-10 and 2013-14, compared to a 3% reduction in public service spending overall (Lupton et al, 2016). There is evidence that local authorities offered relative protection to provision in more disadvantaged areas and centres showed impressive resilience, protecting front-line services through a variety of strategies including increased workloads, stretched management roles, reliance on volunteers and a 'thinner', less frequent service offer (Goff et al, 2013; Fitzgerald et al, 2014; Sylva et al, 2015). Nonetheless prioritisation inevitably meant cuts in some valuable activities, and there

were questions about longer-term sustainability (Goff et al, 2013; 4Children, 2015; Sylva et al, 2015). Positive Sure Start effects identified in this period were smaller for families registered to centres that had seen cuts to staff and/or services (Sammons et al, 2015).

Other recent attempts to develop parenting support beyond Sure Start had mixed success. The **Family Nurse Partnership** home visiting programme was rolled out from 2007 to young first-time mothers on the back of positive evaluations in the US (Karoly, 2005; FNP, 2017). An evaluation conducted between 2009 and 2015 found no significant impact on the primary outcomes, including smoking during pregnancy and birthweight, though there were positive effects on some important secondary outcomes including child cognitive development and maternal self-efficacy (Robling et al, 2015). The Coalition also trialled a scheme of **vouchers for parenting classes**, but there was limited take-up, although the scheme was popular with those who attended (Lindsay et al, 2014).

Early Childhood Education and Care

Support for ECEC in 2015 was made up of three central planks. First, there was a **universal entitlement to free part-time early education** for all three- and four-year-olds (15 hours per week, 38 weeks per year), which had been extended in 2013 to the 40% most disadvantaged two-year-olds (those from lower income households, in local authority care, or with special educational needs and disabilities). Second, **targeted childcare support through the benefit system** paid up to 70% of childcare costs for those on Working Tax Credits or Universal Credit (wage top-ups for lower paid workers). Third, an **employer voucher scheme** provided a small subsidy for parents working for participating employers. The Coalition had announced that this would be extended to all parents in a 'tax-free childcare' scheme; this had not yet been introduced in 2015 and average childcare costs remained very high by international standards (Thompson and Ben-Galim, 2014).

All three of these schemes operated within the context of a mixed market for ECEC provision, incorporating settings in the maintained sector (state nursery schools, nursery classes in primary or secondary schools, and a few local authority run day nurseries), independent nursery schools, private and voluntary sector day nurseries and pre-schools, Sure Start children's centres (private or voluntary), as well as home-based childminders. There were different requirements in relation to both staff:child ratios and minimum qualifications across settings: most significantly, state nursery schools and classes were required to be led by a qualified teacher, while minimum requirements in other settings were much lower.² But an Early

² Nursery and primary school classes needed someone with Qualified Teacher Status (QTS) leading the class (but could have a ratio of 13:1), while other settings needed

Years Foundation Stage Curriculum, introduced in 2008 and revised in 2012, imposed a common curriculum framework across all providers, and there was regular inspection through the education regulator Ofsted.

Five aspects of this complex ECEC landscape as it stood in 2015 are worth highlighting from the perspective of inequalities. First, the overall framework of provision fits what the Labour Government had termed the principle of **'progressive universalism'**: something for everyone with more for the disadvantaged. Thus all children received universal part-time pre-school, while those from lower income working households also benefited from substantial childcare subsidies. The Coalition continued in this direction, adding free early education places for disadvantaged two-year-olds and the Early Years Pupil Premium, which provided additional per capita funding for disadvantaged three- and four-year olds from April 2015 (£300 per child annually).

Second, one distinctive feature of the ECEC landscape worked in the interests of more disadvantaged groups of children, though this was unintended and often unnoticed: children in areas of higher disadvantage, those from low income households and those speaking English as an Additional Language (EAL) were much more likely to take up their free place in a state nursery class or school, making them much more likely than their more advantaged peers to attend classrooms headed by a qualified teacher (Gambaro et al., 2015a; Stewart et al., 2019). The reasons were largely historical, to do with the concentration of these settings in inner city areas in London and the North of England (Moss and Owen, 1989). In addition, even within a given area, lower income and EAL children were more likely to attend the maintained sector, suggesting a role also for differential preferences for school-based provision and/or the need among some parents for the flexibility of the longer hours only available in day nurseries (Stewart et al., 2019). Whatever the reasons, the consequence was **an unusual social gradient in access to more qualified staff operating in favour of otherwise disadvantaged children.**

Third, however, we can identify a shift in the years leading up to 2015 towards **a stronger focus on ECEC as childcare provision, and away from an emphasis on its role in child development.** This is not likely to be a positive development in terms of promoting the ECEC services that are best designed to narrow inequalities. There are several aspects to this shift. For one, there had been a gradual shift in the way the free early education places were perceived and used. Both Labour and the Coalition had introduced more flexibility in the way the places could be taken up; by

only a manager with Level 3 (A level equivalent) qualifications and half of all staff with Level 2, with no minimum for the class itself (though a maximum ratio of 8:1). A small minority of private and voluntary settings employed an Early Years Teacher (previously Early Years Professional or EYP) – a specialised graduate qualification without the benefits of QTS in terms of pay and status – but this was not a requirement.

2015 families could concentrate the hours into two days rather than spreading them across five. It was an attempt to make the places double up more effectively as part-time childcare, but the change arguably made the places *less* effective at promoting child development: two long days in group care, with part of the time spent eating, napping or tired, will not offer young children the same opportunities for play and learning as attending every week day morning.

In addition, there had been much **less emphasis on the quality of ECEC provision from 2010**. Minimum qualifications in settings outside the maintained sector continued to be considerably lower than in other European countries (Gambaro et al, 2015b). The Coalition had commissioned Cathy Nutbrown to conduct an independent review of the early years workforce, but her recommendations were either heavily diluted or rejected entirely (Nutbrown, 2012; 2013; Nursery World 2014). The proposal to work towards a minimum Level 3 qualification for all staff was rejected, as was the proposal for an early years specialist route to Qualified Teacher Status (QTS). Instead the Early Years Professional qualification, a graduate level without the pay, conditions or status associated with QTS, was rebadged, becoming the Early Years Teacher route. Meanwhile the Graduate Leader Fund, which had provided support for training and ongoing costs for graduate staff from 2007, was effectively abolished in 2011. Children's centres in disadvantaged areas were no longer required to provide early education and childcare or to have a linked qualified teacher, as they had been until 2011. Local authority responsibility for supporting improvements in childcare quality were removed, allowing investment in continuing professional development for childcare staff to be downgraded.

Fourth, a narrowing understanding of the goals of early years provision can be identified, with **a more instrumental approach to childhood** in evidence from the very earliest days of the Coalition. For example, "more great childcare" was seen as key to "reaching children for school and, eventually, employment" (DfE, 2013, p.5). Revisions to the EYFS curriculum in 2012 had led to a greater emphasis on literacy and numeracy and arguably a move away from a child-centred, play-based approach to learning (Canning, 2010). The reforms were criticised as focusing too heavily on formal school-readiness, and on the development of 3-5 year olds, with a loss of focus on those aged 0-3 (ECF, 2011). There is also evidence that the introduction in 2012 of phonics testing in Year 1 (age 6), along with wider pressure to track children's performance to demonstrate school 'value added', was shaping classroom practice, leading to greater formalisation in nursery and reception, including more direct teaching of maths and phonics, and the extension of ability grouping even into nursery (Roberts-Holmes and Bradbury, 2016; Bradbury, 2018). Critics have argued that the main danger here is not that 'school readiness' and achievement gaps are being prioritised over broader childhood experiences, but rather that pushing children into formal learning too early risks

undermining other aspects of child development that are more important to long-term outcomes, including confidence, resilience and enquiry (Palmer, 2016).

Finally, the introduction of a new **Early Years Single Funding Formula** (EYSFF) to allocate funding for the free entitlement altered the landscape in ways that were potentially significant, though difficult to ascertain. Intended to improve transparency and fairness in the way resources were allocated to settings by local authorities, the new formula was first mooted by Labour in 2007 and further developed and implemented under the Coalition in 2011 (House of Commons Children, Schools and Family Committee, 2010; Noden and West, 2016). Initially, the rationale had been for local authorities to distribute resources equally on a per capita basis, regardless of the type of provision (West and Noden, 2016). This strict stipulation was dropped, and though the idea of creating a 'level playing field' remained, different local authorities seem to have interpreted this differently (and retained the autonomy to do so), seeking to provide a combination of 'equal funding', 'equal quality' and 'equal sustainability' (Noden and West, 2016). Nonetheless, there were potential implications both for maintained provision, which had traditionally been funded at higher rates to cover the cost of more highly qualified teaching staff, and for part-day providers, such as voluntary sector pre-schools, which have fewer options to make up funding shortfalls by charging parents for additional hours than private providers do.

Financial support for families with children

Spending on cash benefits for families with children had doubled during the Labour era, but they were cut back from 2010 onwards. A series of benefits aimed specifically at babies were among the first casualties of this period: the means-tested Sure Start Maternity Grant was restricted to a first child only, while the (near-universal) Baby Tax Credit and the (universal) Health in Pregnancy Grant were abolished. In addition, Child Benefit was withdrawn from higher rate taxpayers and Child Tax Credit became more narrowly targeted. A series of more general cuts also affected families with children, including the introduction of the 'benefit cap', which limits the total amount of benefits that non-working households can receive. There were simultaneous reductions in taxes through the increase in the personal tax allowance, but the net effect still left children under five worse off on average, and worst affected of all age groups (De Agostini et al, 2018). After years in which child poverty in households with a young child had been falling, poverty in households with a baby started to rise from 2011 (Stewart and Obolenskaya, 2016).

Summary

Overall, the picture by 2015 was *generally* one of relative protection of provision for disadvantaged children within the context of austerity: free part-time early education had been extended to disadvantaged two-year-olds, additional funding for disadvantaged three- and four-year-olds had been introduced through the Early Years Pupil Premium (EYPP), and most cuts to child-contingent support had fallen on middle- and higher-income families with children. By accident rather than policy design, children from low-income households and some minority ethnic groups were also still much more likely than others to be benefiting from early education provision led by a qualified teacher.

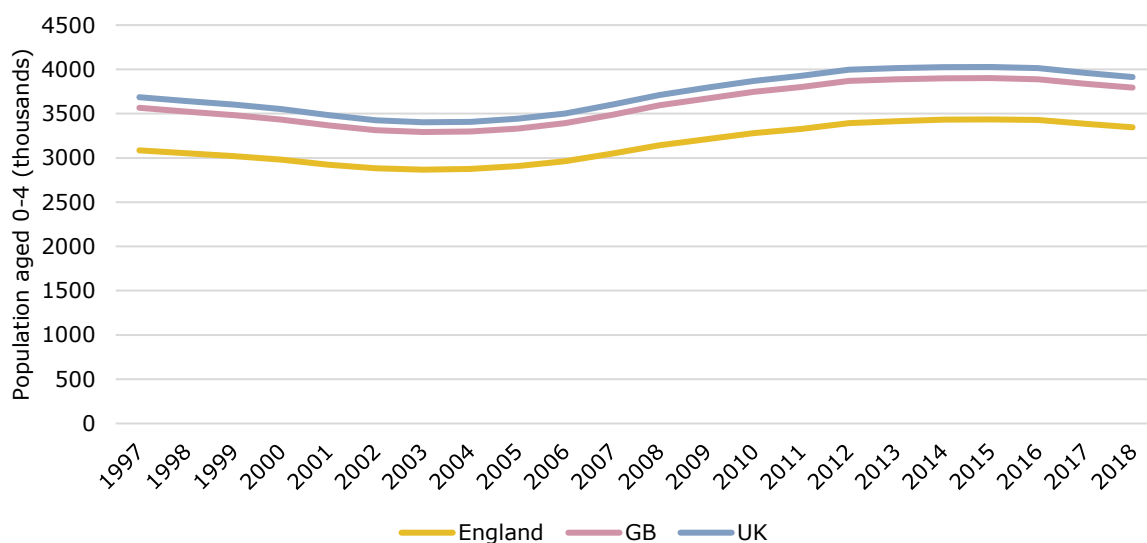
But at the same time, the funding squeeze led to growing pressures on early years services as a whole, alongside shifting expectations of what these services should look like. Both developments had the potential to affect inequalities in children's early experiences and in their longer-term development. Sure Start children's centres had been remarkably resilient to huge cuts, but for how long could this continue? The quality of early education and childcare had not been prioritised, and there was a growing shift away from a play-based curriculum towards more formal learning. Some of the benefit cuts had affected some of the lowest-income families.

This mixed picture, and the direction of some of the changes, raised the stakes for early years policy from 2015. Would further rounds of cuts impact the most disadvantaged? And would the shift away from a broad vision of early child development towards an emphasis on childcare for working parents and a more instrumental role for early education continue?

Box 1: Small fall in the population of under fives

One additional aspect of the inherited environment is worth highlighting: the population of under-fives had stabilised by 2015 and would fall slightly over the next three years (see Figure 1). This was a change from the previous decade: the baby boom of the early 2000s had meant an increase in the number of children under five in England of around 20% between 2003 and 2015. The new Conservative government would be providing services for a stable rather than growing number of young children.

Figure 1 Estimates of the population aged 0-4 in the UK, 1997-2018



Source: ONS (2019a) Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland.

3. Goals

The 2015-20 period ultimately saw three distinct Conservative administrations in Westminster headed by three Prime Ministers. Each administration was formed against a very different economic and political backdrop. David Cameron's premiership was in many respects a continuation of the Coalition era, with a strong commitment to seeing through the austerity agenda begun in 2010. Theresa May took office in 2016 pledging to fight 'burning injustices', but her time in office was in practice heavily overshadowed by the aftermath of the Brexit referendum. Replacing Theresa May as Prime Minister in July 2019, Boris Johnson's first priority was to 'get Brexit done', but he also promised increased public spending and a regional 'levelling up' strategy; Johnson's Chancellor Sajid Javid declared in September 2019 the government had "turned the page on austerity".³

Despite these differences, an examination of the declared goals of the three administrations throws up strong common themes. One is the broad equation of policy for young children with **childcare**. Policy commitments were framed mainly as improving childcare for working parents, with very little attention to early childhood as a life stage in its own right. The boldest early years policy of the period came in the manifesto of 2015, with the pledge of 30 hours of free childcare to working parents of three- and four-year-olds (probably not coincidentally, the Labour Party had promised 25 such hours in the months before the election campaign). The 2017 manifesto also promised to deliver "thousands of new nursery places a year" (Conservative Party, 2017, p.62) and proposed a capital fund to help primary schools build nursery classes. The 2019 manifesto pledged a new £1 billion fund to help create more high quality, affordable childcare, making clear that this also covered childcare before and after school, and in the holidays.

Second, there were very general commitments to making it easier for parents to take up **parental leave**: the 2017 manifesto said it would take steps to improve the take-up of shared parental leave, and the 2019 manifesto said it would make it easier for fathers to take paternity leave.

Third, a stated aim of reducing **child poverty** was repeated in each election manifesto, albeit placed alongside a commitment to reducing spending on cash benefits (including child-contingent benefits) as part of ongoing austerity reforms. This was put most starkly in 2015, which pledged to find £12 billion of welfare savings on top of existing cuts, but the approach stayed consistent through to early 2020. (Boris Johnson's COVID-19 response in spring 2020 is not covered here – though we return to this briefly in the concluding section.)

³ 'Chancellor Sajid Javid declares end of austerity,' BBC News 4 September 2019. <https://www.bbc.co.uk/news/business-49577250>

A fourth repeated pledge was to reduce **childhood obesity**, but with little policy detail attached beyond the reduction of unhealthy ingredients and clearer food information.

Theresa May's administration stands out from those that came before and after for having had a strong rhetorical emphasis on **social mobility**. Promoting early child development was seen as integral to that goal, with a strong emphasis on communication and literacy as key aspects of school readiness. The 2017 manifesto promised to "strengthen the teaching of literacy and numeracy in the early years so that all pupils – regardless of background – get the best possible start in life" and would "build on the success of the phonics screening test" (p.50). May committed to a Social Mobility Action Plan which underlined that "good early years education is the cornerstone of improving social mobility" and promised that investment would be a record £6 billion per year by 2019-20 (DfE, 2017a, p.11). A key plank of the plan was to improve the availability and take-up of high-quality early years provision by disadvantaged children and in challenging areas. May's premiership also saw the launch of 'Opportunity Areas': twelve areas chosen as facing particular social mobility challenges, which would receive additional funding to help address these challenges. The delivery plans for these areas for 2017-2020 show a strong focus on the early years; targets are commonly set in terms of the percentage of children (or specifically the percentage of children in receipt of free school meals) achieving the expected levels in the Early Years Foundation Stage Profile or success in the Year 1 Phonics Screening Check.

4. Policy

In this section we set out policy change between 2015 and 2020 under our four central policy areas, highlighting where policy for England has diverged from those for the other UK nations.

Parental leave policy

There were no changes to parental or maternity/paternity leave between 2015 and 2020, and no substantive steps taken to increase take-up of shared parental or paternity leave, other than a 'Share the Joy' advertising campaign in 2018. However, in a context of a cash freeze on almost all working-age benefits (see below), flat-rate maternity and paternity benefits did continue to rise with inflation, from a nominal £139.58 in April 2015 to £151.20 in April 2020.

Parenting and parenting support

Sure Start children's centres experienced no direct policy change. In July 2015 Children's Minister Sam Gyimah announced that there would be a consultation on Sure Start centres to determine whether the government was "maximising the impact of children's centres and whether they are helping families most in need."⁴ The consultation later became part of David Cameron's Life Chances Strategy, before its publication was dropped and replaced with a broader social justice green paper when Theresa May entered Downing Street. In 2018, it was announced that the consultation on Sure Start would no longer take place and that the government would instead focus on its Social Mobility Action Plan (see above under Goals).⁵ One plank in the plan was to identify evidence-based home learning environment programmes that support early language development, but there was no clear policy follow up. Sure Start children's centres had a mission and track record that should have made them perfectly placed to coordinate such programmes and ensure they reached the right families, but in practice they were being squeezed by funding cuts, as discussed below.

The Life Chances Strategy was also intended to include a "significant expansion in parenting provision", with David Cameron calling for it to become "normal – even aspirational" to attend parenting classes.⁶ The end of the Life Chances Strategy meant this commitment was dropped.

Early Childhood Education and Care

The most significant policies in this period were aimed at improving the affordability of ECEC, but there were also policy changes with implications for the quality of provision.

Affordability

30 hours free childcare: As set out in the 2015 election manifesto, and legislated for in the 2016 Childcare Act, in September 2017 the government introduced an extension to the existing 15-hour free entitlement, offering an additional 15 hours to all three- and four-year-olds in working households for 38 weeks a year. To qualify both parents (or the resident parent in one-parent households) must be earning the equivalent of 16

⁴ 'Exclusive: Gyimah launches children's centre consultation', Nursery World, 13 July 2015 <https://www.nurseryworld.co.uk/News/article/exclusive-gyimah-launches-children-s-centre-consultation>

⁵ 'Children's centre consultation off the table', Nursery World, 13 August 2018 <https://www.nurseryworld.co.uk/news/article/children-s-centre-consultation-off-the-table>

⁶ Prime Minister's Speech on Life Chances, 11 January 2016. <https://www.gov.uk/government/speeches/prime-ministers-speech-on-life-chances>

hours at the minimum wage with neither parent earning £100,000 or more. The full hours can be taken (in principle) in flexible form, on any day of the week between 6am and 8pm, with a single session lasting up to 10 hours. For providers, the new policy posed a potential funding challenge, as it reduced the possibility of cross-subsidising 'free' hours by charging higher fees for the rest of the day or week (a practice not formally allowed, but for which there is substantial evidence (DfE, 2015)). Sector representatives raised concerns about sustainability if the hourly funding rate fell short of provider costs (APPG for Childcare and Early Education, 2019).

Scotland and Wales are both in the process of introducing similar policies to the 30 hours. In Scotland, disadvantaged two-year-olds and all three- and four-year-olds can currently access 16 hours of funded early education for 38 weeks a year. An extension to 30 hours for 38 weeks a year for all these children was due to be rolled out from August 2020 (though due to COVID19 the legal obligation for local authorities to roll this out has been suspended).⁷ In Wales, all three- and four-year-olds can access 10 hours a week early education for 39 weeks a year, and this has been extended, starting with a pilot in 2017, to cover 30 hours for 48 weeks a year for the children of working parents (though the policy was placed on hold during the COVID19 crisis, with funds reallocated to cover childcare costs of key workers).⁸ In Northern Ireland, three- and four-year-olds can access 12.5 hours a week for 38 weeks a year – as in England until 2010 – and the policy has not been extended further.

Tax-free childcare: Building on the policy initially developed under the Coalition, the Tax-Free Childcare scheme was rolled out in 2017 and became open to all parents in February 2018. It will eventually replace the employer voucher programme, which continues to operate but has been closed to new entrants since October 2018. The idea is to reduce the cost of childcare for children aged 0-2, and for additional hours (over 30) for three- and four-year-olds. Under the tax-free scheme, working parents open an online childcare account; for every £8 paid in, the government makes a £2 top-up payment, up to a maximum top-up of £2,000 per child per year (or £4,000 for disabled children). All registered childcare providers can sign up to be paid through the accounts. Families cease to be eligible if one parent earns more than £100,000. The new scheme has wider coverage than employer vouchers – the vouchers excluded the self-employed and those working for small employers who did not participate – and it removes an inequity for lone parents, as the new subsidy is per child rather than per parent. It is also potentially more generous, as the total maximum subsidy is higher. However, the subsidy *rate* is higher under employer vouchers, so families with lower childcare costs (and those with one parent earning more than £100,000/year) will tend to be better off

⁷ <https://www.gov.scot/policies/early-education-and-care/early-learning-and-childcare/>

⁸ <https://gov.wales/coronavirus-childcare-under-five-year-olds-parents-guidance>

under the voucher scheme (IFS, 2019). Tax-free childcare is a UK wide policy covering all four nations.

Childcare support through Universal Credit: More generous support for childcare is available through the benefit system (though families cannot claim tax-free childcare at the same time). Under Universal Credit, which is being rolled out to replace Working Tax Credits and Child Tax Credit, a higher share of childcare costs can be claimed than under the tax credit regime: 85% of eligible costs rather than 70% under tax credits, up to a total subsidy of £646 monthly for one child and £1,108 for two or more children. By July 2019, around one third of the projected long run caseload were receiving UC (Cooper and Hills, 2020), but the share of families with children was lower. By November 2019, 59,161 families were receiving childcare support through UC, 49,274 of which were lone parent families.⁹ By comparison, 229,000 families were still receiving childcare support through Working Tax Credits in December 2019 (HMRC, 2020). Completion of the roll-out is (officially) expected by 2024.

Quality

Early Years National Funding Formula (EYNFF): In April 2017 the government introduced new funding formulae to allocate resources for the free entitlement for three- and four-year-olds from central government to local authorities in England (previously based on historical levels), *and* from local authorities to providers (DfE, 2016a). There had already been recent changes to the way resources were allocated from local authorities to providers (the Early Years Single Funding Formula (EYSFF) discussed above). The motivation for further changes was closely linked to the introduction of the 30 hours policy, and the realisation that the success of the policy relied on funding private and voluntary sector providers more generously per hour than under the 15-hour policy (which had allowed full-day providers to effectively cross-subsidise the funded hours with fees for additional hours) (Noden and West, 2016). The government noted in its consultation document that providers “cannot be compelled” to offer the 30 hours of free childcare, that “funding is our principal means of incentivising them”, and that the existing funding formula was “manifestly not capable of doing this” (DfE, 2016a, p.5). It also pointed out variation in funding for local authorities that correlated neither with provider costs nor market prices and argued that some local authorities were “unfairly” differentiating between providers, leading to “a non-level playing field between those from the maintained sector and those from the private/voluntary sector” (p.5). This suggested a potentially troubling impact for the maintained sector.

Under the new formula, in full operation from 2019-20, local authorities receive funding for the free entitlement using a universal base rate plus

⁹ DWP Stat X-plore – households on Universal Credit, Table 1.

factors for additional needs (FSM, EAL and disability) and adjustment for area costs (DfE, 2016b). The funding is included in the Dedicated Schools Grant, and the authority can in practice decide on the allocation between early years, schools and other areas. To pass funding to providers, local authorities must themselves use a local universal base rate, with a mandatory supplement for deprivation and optional supplements for rurality, flexibility, EAL and quality – but all supplements together can be no more than 10% of the total. Local authorities are constrained in the proportion of resources they can retain for central spending (to cover, for example, outreach to raise take-up, and support for quality improvements and Continuing Professional Development) with the setting of a minimum “pass through” requirement: in 2017-18, 93% of the allocated budget had to be distributed directly to providers and 95% in 2018-19.

The EYNFF has bearing on the quality of provision for a number of reasons. A key one is the existential threat posed to nursery school provision, widely agreed to be the highest quality and funded prior to the EYNFF at an average £7.13/hour, compared to £4.08 for nursery classes and £3.96 for PVI settings (West and Noden, 2016). In response to lobbying on this issue, the government first introduced and then extended supplementary funding to nursery schools until 2019-20. For other providers, the formula would on average reduce support for maintained nursery classes and increase it for private and voluntary sector providers, though not all PVI providers could be expected to gain. As Noden and West (2016) discuss, the complex funding picture prior to the EYNFF was driven by a wide range of factors that differ across provider types, such as differences in provider costs for buildings and other overheads. In addition to the average drop in funding for maintained nurseries, the new rates risked upsetting the balance among PVI providers (and the role of the voluntary sector in particular) in ways that were difficult to predict. The high “pass through” requirement also poses a risk to the ability of local authorities to provide a central early years team to support professional development and quality improvements.

School Nursery Capital Fund: Somewhat ironically, while the EYNFF sought to reallocate resources away from school nurseries towards private and voluntary providers to ensure that the 30 hours free childcare policy could be provided, the government was also establishing a small capital fund to enable primary schools to create or expand nursery classes to cater to more two- to four-year-olds – this time with the ‘social mobility’ goal in mind. The idea was to ensure more children from disadvantaged backgrounds had access to graduate teaching staff. To be eligible, schools had to be rated ‘good’ or ‘outstanding’ by Ofsted and to have at least 20% of pupils eligible for FSM in January 2018. As part of the application process, schools needed to detail existing or proposed approaches targeted at closing the disadvantage gap in the early years and to confirm that the project would deliver new early years funded places for disadvantaged children without detriment to existing good quality provision (DfE, 2018).

A pot of £30 million was made available (£50 million has originally been committed in the Social Mobility Action Plan), of which £24 million was allocated to 69 of 147 applicants in July 2019 (DfE, 2019b).

Early Years Workforce Strategy: An alternative way to ensure more access to high qualified teaching staff would be to improve staff qualifications in the private and voluntary sector settings. In fact, the 2017 Early Years Workforce Strategy moved in the other direction, announcing the removal of the requirement that level 3 practitioners (Early Years Educators) needed to hold GCSE passes in Maths and English to count in early years ratios. Functional skills and other equivalents could now be accepted as alternatives. The Maths and English requirement had been introduced in 2014 and had been followed by a sharp decline in applicants for level 3 training. Early Years Minister Caroline Dinenage said the government had listened to comments received as part of an industry consultation in November 2016 (DfE, 2017b).

The workforce strategy did also set out plans for a feasibility study for a programme to grow the graduate workforce in disadvantaged areas, as well as an intention to consult on allowing those with Early Years Teacher Status or Early Years Professional Status to lead nursery classes in maintained settings. Both ideas were abandoned in 2018. Children and Families Minister Nadhim Zahawi cited evidence from Ofsted and from the Study of Early Education and Development (SEED) that children in disadvantaged areas were now just as likely to access high quality education as children from more affluent areas.¹⁰ He said that instead £20 million would be invested in “professional development activity focused on disadvantaged areas”.

Changes to the Early Years Foundation Stage: One last change with implications for quality was the announcement in spring 2017 of reforms to the EYFS intended to improve outcomes for children at age five, particularly children from disadvantaged backgrounds, with a stronger focus on language and vocabulary development (EEF, 2019). A pilot of revised Early Learning Goals for the teacher assessments at age five was carried out in 2018-19. Schools have the option of introducing the new goals in September 2020, while 2021 will see rollout across the sector.

¹⁰ ‘Government scraps early years workforce strategy’s graduate plans,’ Nursery World, 19 July 2018 <https://www.nurseryworld.co.uk/news/article/government-scraps-early-years-workforce-strategy-s-graduate-plans>

Financial support for families with children

A series of cuts to cash benefits for working-age households were implemented in this period, some of them specifically targeted at households with children.

Two-child limit: The most significant benefit reform affecting families with young children was the introduction of a two-child limit for tax credits and Universal Credit. Not specified in the 2015 manifesto, it was set out in the July 2015 budget, part of the government's commitment to further reductions in social security spending. For new claims and new births from April 2017, only the first two children in a family would be recognised in a benefit claim, with exceptions for multiple births (e.g., if the second and third child are twins), for looked after and adopted children, and for children conceived as a result of rape where the mother does not live with the perpetrator. The policy aimed both to reduce costs and to change behaviour: the main rationale given was that families in receipt of benefits should face the same financial choices about having children as families supporting themselves solely through work (House of Commons Work and Pensions Committee, 2019). After a concession by Secretary of State for Work and Pensions Amber Rudd, the policy was amended to affect only third and subsequent children born after the policy took effect on 6 April 2017. This substantially decreased the immediate number of families affected but meant that the policy is by definition one that currently affects only families with a child aged three or younger. The two-child limit applies across the UK, though the Scottish government has announced its intention to introduce a new Scottish Child Payment of £10 a week to low-income families, with no cap on the number of children covered. The payment will be rolled out for children under six by the end of 2020, and for children under 16 by the end of 2022.¹¹

Wider benefit changes affecting families: A series of wider benefit cuts and reforms have affected families with young children among others (see Cooper and Hills, 2020, for more detailed discussion of these reforms). The most important are:

- A four-year cash freeze in working age benefits from April 2016 (two years were announced in the manifesto, extended to four in the July 2015 budget)
- Reduction of the benefit cap to £20,000 (£23,000 in London) from November 2016
- Axing of the family element in Child Tax Credits for families with first children born after 6 April 2017

At the same time, families with at least one adult in work and earning above £10,000 would benefit from the rise in the personal tax allowance to £12,500. All of these policies apply across the UK (though see Stephens

¹¹ <https://www.gov.scot/policies/social-security/scottish-child-payment/>

and Fitzpatrick, 2018, for detail of differences in implementation and additional protections affecting some groups).

Change to Child Poverty targets: Alongside cuts to financial support, the government abandoned the legal commitment to reducing child poverty that had been established in the Child Poverty Act 2010. The 2016 Welfare Reform and Work Act deleted all mentions of child poverty from the Child Poverty Act, renaming it the Life Chances Act 2010. The four child poverty indicators and their targets were removed, replaced with a requirement to report on measures of household worklessness and educational attainment at age 16. The requirement for governments to publish a child poverty strategy and for local authorities and other “delivery partners” in England to conduct a local needs assessment, produce a local child poverty strategy, and to work together to tackle child poverty, were all also removed, though a House of Lords amendment ensured that the government must still publish the scrapped measures annually. (For further discussion see Stewart and Roberts, 2019). In 2017 the Scottish Parliament passed its own Child Poverty Act which reinstated the targets from the original UK Child Poverty Act and set a goal to reduce relative child poverty below 10% and other poverty measures below 5% by 2030.

Increased conditionality for lone parents and second earners: The Welfare Reform and Work Act 2016 increased the conditionality attached to benefit receipt for responsible carers of children under five (lone parents and main carers in couples). Since April 2017, parents of three- and four-year-olds (rather than five-year-olds) are expected to be available for and actively seeking work, while parents of two-year-olds (rather than three- and four-year-olds) must attend work-focused interviews and take “active steps” to prepare for work; and parents of one-year-olds (rather than two-year-olds) must attend work-focused interviews. Families can be sanctioned for not meeting these requirements.

Summary

There were two main focuses for policy for under fives in this period: improvements in the affordability of childcare, and cuts to the value of cash benefits alongside increases in benefit conditionality. Both policies can be seen as seeking to encourage higher employment rates of main carers of young children.

There was much less policy focus on support for parents or on the quality of ECEC. While there were some small attempts to promote high quality ECEC provision, with new capital investment for school nursery classes, the new funding formula looked likely to undermine maintained sector provision more widely, posing a particular threat to highly rated nursery schools. Proposals to improve qualifications in the private and voluntary sector were abandoned and recent changes that had tightened requirements for level 3

staff were removed after pressure from providers. The importance of parenting was highlighted but there was little in the way of new initiatives and no attempt to reinvest in or protect Sure Start children's centres, which had a proven record in supporting parenting while providing play and learning opportunities for children. Cuts to financial benefits, including the two-child limit, also risked damaging parents' ability to focus on children's needs, given evidence on the negative impact of poverty on parenting and the home environment.

5. Spending

We begin by discussing spending on the major early years services: Sure Start children's centres, early education, and the two types of additional childcare subsidies (through the benefit system and through the tax system). We go on to discuss spending on cash benefits and then bring the two series together to look at overall spending on the under-fives. Detailed tables showing the numbers and sources for the figures presented are provided in the Appendix (Table A1 and Table A2).

Spending on services

shows spending on **Sure Start** since 2010-11 using data from local authorities' Section 251 returns. While there are some concerns about the consistency of local authority reporting in these returns (see Freeman and Gill, 2014), they are the only source available and the picture is consistent with what might be expected given the removal of ring-fenced funding and the cuts to local authority funding settlements. Between 2010-11 and 2018-19, there were real-terms cuts in total spending on Sure Start of 70%. In proportional terms, spending fell slightly faster in the Coalition than the Conservative period, down 47% between 2010-11 and 2014-15 and a further 43% to 2018-19.

The numbers for the different budget lines suggest that local authorities sought to protect frontline spending on individual centres. Relative cuts have been larger for local authority management costs relating to Sure Start (with cuts of 86% since 2010-11, most of it achieved in the Coalition years) as well as services that are provided or commissioned by the local authority and delivered through Sure Start centres (with cuts of 80%). But these represent a small proportion of total spending. Individual Sure Start children's centres, which comprise the largest share of spending in this category, have faced cuts very similar to those in the overall Sure Start spend – 64% over the period as a whole, including 34% under the Coalition and a further 45% under the Conservatives.

Figure 2 Spending on Sure Start from Local Authority Section 251 returns, 2010-2019

Sources: DfE Local Authority Section 251 returns 2010-11, 2011-12, 2012-13 (NB we had to sum totals across LAs for this year), 2013-14, 2015-16, 2017-18 and 2018-19.

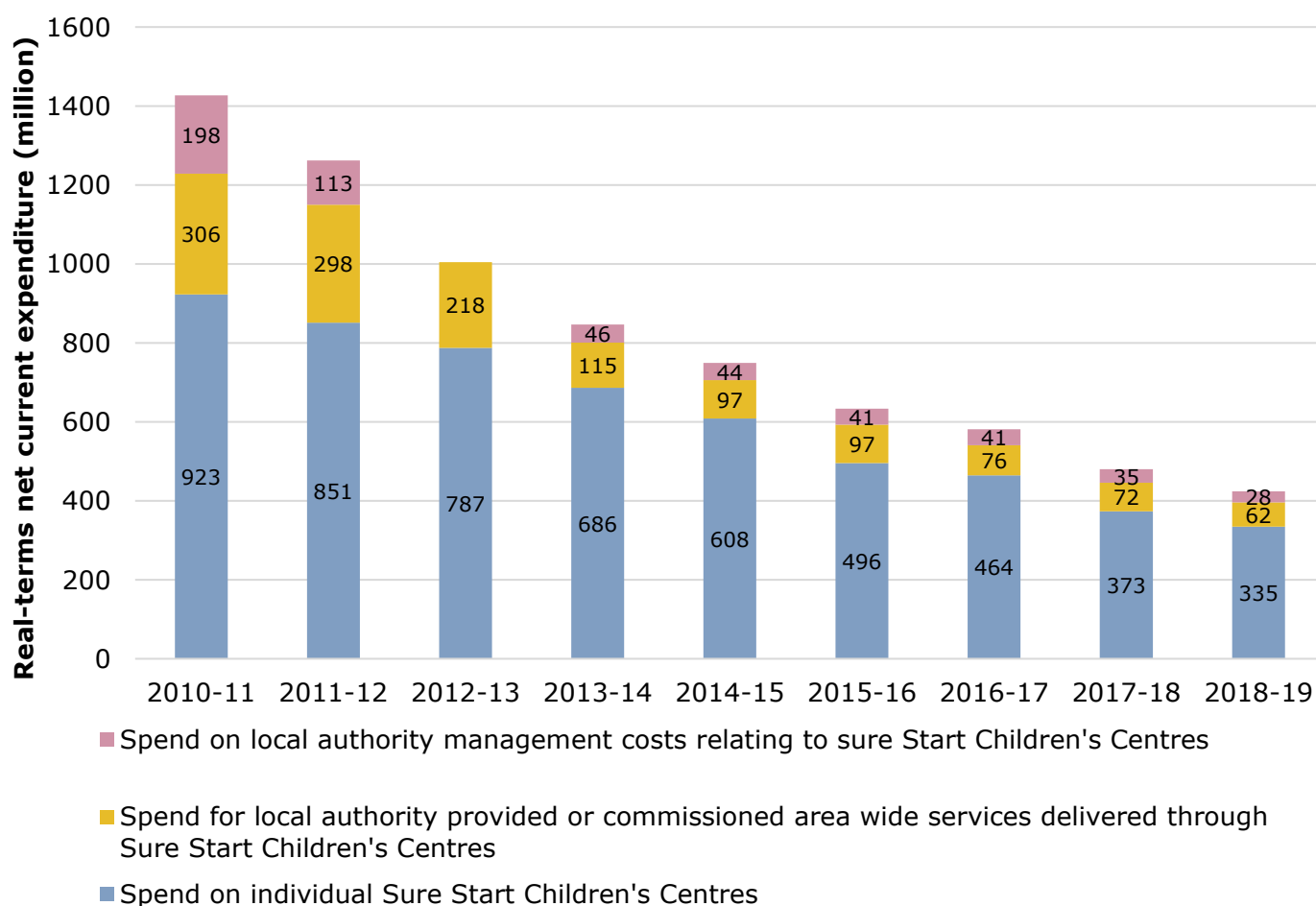
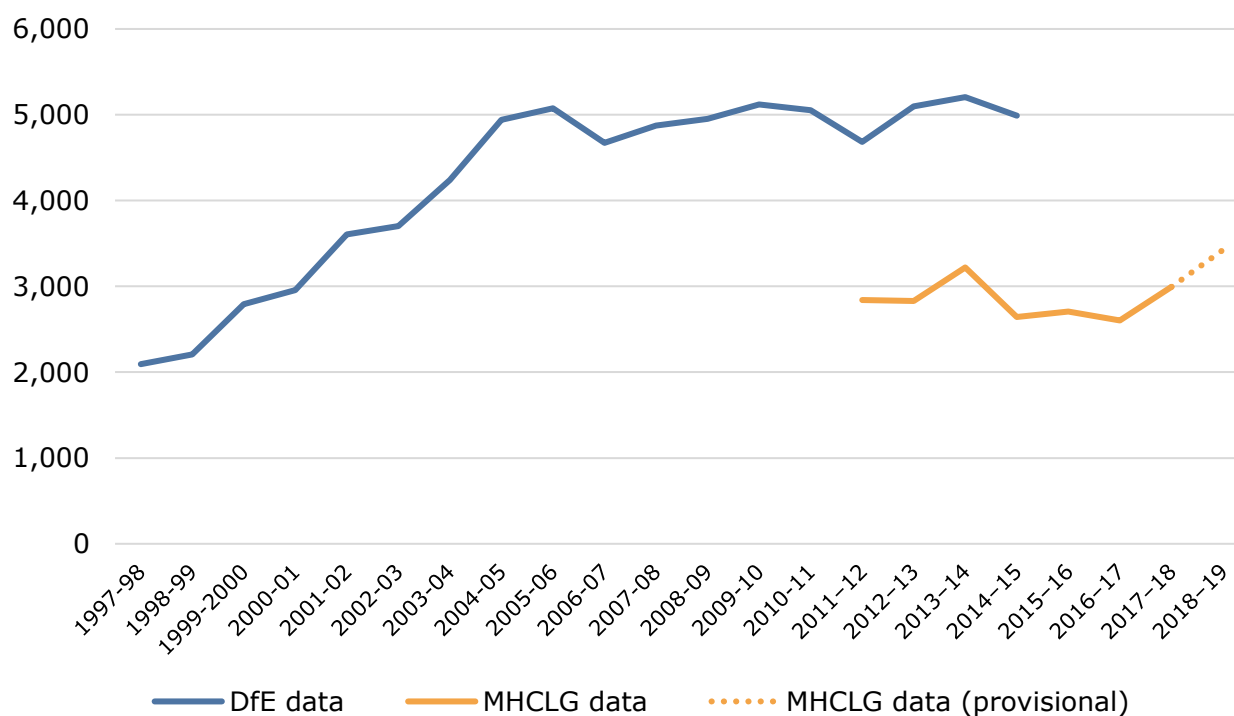


Figure 3 shows spending on **early education**. Government publications present two rather different series for spending on education for children under five – one using Department for Education (DfE) data and one using local government expenditure data collected by the Ministry of Housing, Communities and Local Government (MHCLG). In recent years, the government’s Public Expenditure Statistical Analysis (PESA) reports rely on MHCLG data. These data give us a consistent series covering the years we are focused on in this paper, but the longer DfE series is also shown for context.

Figure 3 shows that spending on early education was stable in real terms in the first two years of the Conservative term but started to rise from 2017; it was in September 2017 that the free entitlement was increased to 30 hours per week for three- and four-year-olds of working parents. Note however that the most recent year of data for 2018-19 is shown as provisional; in each of the previous three years the most recent data has been overestimated and adjusted down in subsequent editions. Hence this last year should be treated with some caution.

Figure 3 Spending on early education (£million, 2018-19 prices)

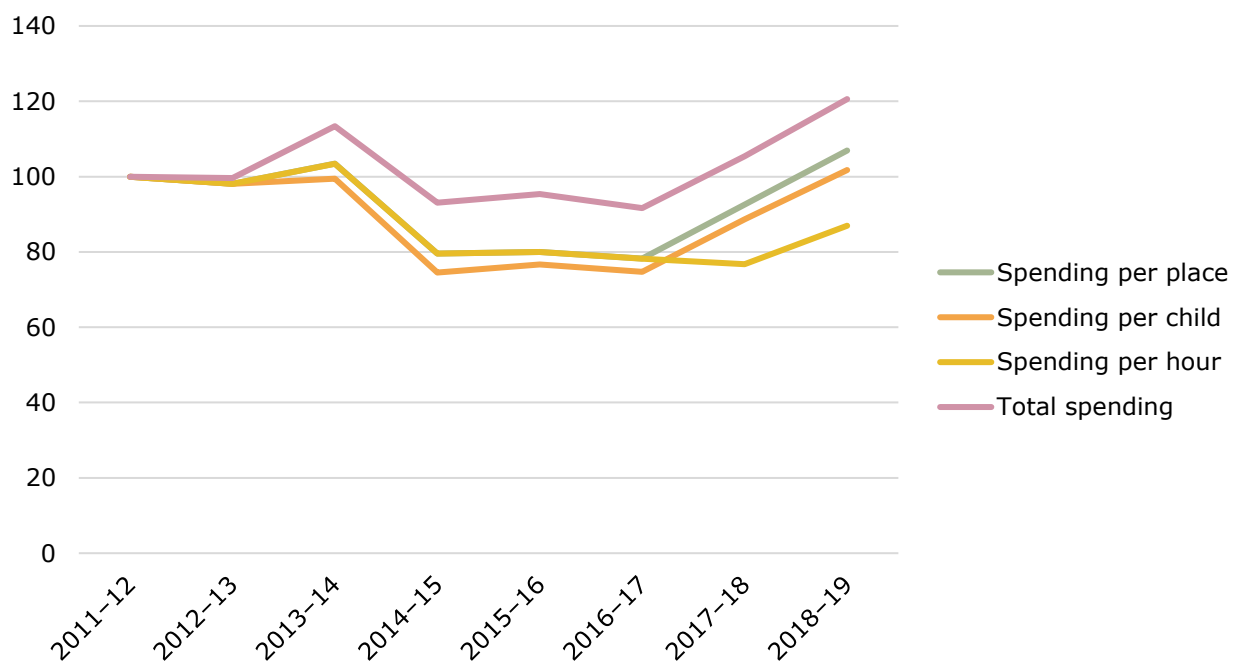


Sources: Both lines are from government published data as reported in annual Country and Regional Analysis or PESA reports (which are drawn from Country and Regional Analysis). Until the 2015 PESA, education data for England were provided by the Department for Education. From 2016 onwards these data were sourced from the Ministry of Housing, Communities and Local Government (MHCLG), to bring education into line with other spending areas. As is clear, there is a significant break in the series associated with this change. The MHCLG dataset is perceived to be a more reliable source than the DfE dataset. (See HM Treasury, 2016, p.91; also personal communication with Mohammad Huq in the PESA team, 4 May 2020.)

Notes: (1) CRA and PESA reports give five-year series, and these have been put together to create this longer series. There is complete consistency between each five-year series with one exception: in every year since 2015-16, the latest year is overstated and is revised downwards in subsequent years. Therefore we show the most recent year currently available (2018-19) with a dotted pattern to indicate that it is provisional. (2) Our series looks very different to that presented in IFS (2019a), which is constructed from Section 251 Budget data (see IFS, 2019a, Appendix A). We opted for PESA data as a more reliable and consistent source and because the data triangulate more closely with other information about policy change and government spending commitments. In particular, IFS show little change in spending between 1997-98 and 2003-4, when the free entitlement policy was first introduced, but a steady rise in real spending from 2009-10 to 2014-15, when there was little policy change and a commitment to reducing spending. It is possible that changes in Section 251 reporting, in particular in relation to reporting spending on maintained nursery classes, may be affecting trends in this series.

To get a sense of how far spending reflects (and is sufficient to support) the progressive extension of entitlements to more children and longer hours, Figure 4 follows IFS (2019a) in showing spending overall, per eligible child, per child taking up a place, and per hour (assuming that children who take a place take the maximum number of hours for which they are eligible). Each series is indexed to 2011-12, the first year for which this consistent spending series is available.

Figure 4 Change in real spending on early education, indexed to spending in 2011-12



Sources: MHCLG spending data reported in CRA (2019) and previous. DfE data on take-up and eligibility reported in DfE (2019a) Provision for children under five.

Note: This figure is based on that in IFS (2019a) Figure 2.2, using the CRA spending series.

Figure 4 shows a slight drop in total spending during the Coalition years, which is substantially magnified when considered per place or hour, as total funding needed to be stretched to cover the extension of places to the 20% (September 2013) and then 40% (September 2014) most disadvantaged two-year-olds. Under the Conservatives, total spending has risen by around 25% (assuming the most recent data point is correct). But the increase is much smaller (and indeed only apparent in the most recent year) if we look at spending per hour. This tells us that the increased funding is sufficient to cover the extension of the entitlement to children in working families, but not to raise spending on existing places. On the one hand, this is encouraging: it suggests that the hourly spend for children accessing 15 hours is not being squeezed by the implementation of the 30 hours policy. On the other hand, it is a potential problem given providers' concerns that they could not afford to provide the extended places at previous funding

rates (given that their ability to cross-subsidise from fees had been sharply reduced).

Note also that, because of developments in the Coalition period, spending per hour has been squeezed quite significantly over the period as a whole. Even accepting the provisional 2018-19 figures at face value, the spend per hour is down by around 13% between 2010-11 and 2018-19.

Table 1 gives a further breakdown of the yellow line from Figure 3 to show how the early years budget has been allocated to the entitlement for disadvantaged two-year-olds, the universal (15 hour) entitlement for three- and four-year-olds and the extended (30 hour) entitlement for children in working families. Also shown is the Early Years Pupil Premium (EYPP), which provides extra funding for disadvantaged three- and four-year-olds (£302.10 per year per child, or 53 pence an hour for 15 hours). The table confirms that spending on the two-year-old entitlement and universal three- and four-year-old entitlement has remained relatively stable over this period, albeit with a slight squeeze in real terms since 2015-16. We can also see that spending on the Early Years Pupil Premium makes up a very small share of the total and has fallen by 8 per cent since 2016-17. This is because funding rates have remained constant in cash terms since the policy's introduction, meaning a real-terms funding cut.

Table 1 Allocation of early years education spending for under-fives, 2015-16 to 2018-19 (£ million, 2018-19 prices)

	2-year-old entitlement	3 & 4-year - old universal entitlement (15 hours)	3 & 4-year-old extended entitlement for working parents (30 hours)	Early Years Pupil Premium (EYPP)	Disability Access Fund (DAF)	Supplementary funding for Maintained Nursery Schools	Total Early Years Block
2015-16	441	2218	0	49	0	0	2708
2016-17	437	2136	0	30	0	0	2603
2017-18	429	2103	370	27	12	54	2994
2018-19	430	2189	712	28	12	54	3425

Sources: PESA Annual Reports (see Table A1 notes); DfE (2020a); DSG allocations 2018-19 and previous editions.

Notes:

1. Since spending breakdowns for each of these items of expenditure are not reported directly, we estimate the breakdown by applying notional funding allocation shares from the Early Years Block in the Dedicated Schools Grant to total MHCLG real-terms spending figures (as shown in Figure 3). Hence totals from this table match the MHCLG early education totals in Figure 3 and Appendix Table A1. This is the same approach taken by Britton et al. (2019), p. 28.
2. Spending on the EYPP in 2015-16 is overstated, thus explaining the scale of the apparent fall in spending from 2015-16 to 2018-19. Since census data was not available when the EYPP was introduced, funding for 2015-16 was based on data held by DWP and HMRC (Parliamentary question from Layla Moran MP to Nadhim Zahawi, 16 January 2019).

The third main element of spending on services for young children over the last two decades has been **demand-side childcare subsidies** (reimbursements to parents for spending on childcare). For over a decade there have been two main policy strands providing this support – a means-tested policy aimed at lone parents and lower earners (the childcare element of WTC and now Universal Credit), and a policy for middle and higher earners not eligible for WTC/UC (employer childcare vouchers, and now the tax-free childcare policy). Figure 5 shows spending on each of these two strands along with spending on both combined. Total spending has remained fairly stable in the Conservative years, a contrast to the sharp increase under Labour and the fall in the early years of the Coalition. By 2018-19, total spending on childcare subsidies was only a little below what it was a decade earlier. However, it is now split far more evenly between targeted transfers and those aimed at middle and higher earners, a small but steady continuation of a trend that began under the Coalition. In the most recent year, support for middle and higher earners overtook support for low-income families for the first time.

Figure 5 Spending on demand-side childcare subsidies (£ million, 2018-19 prices)

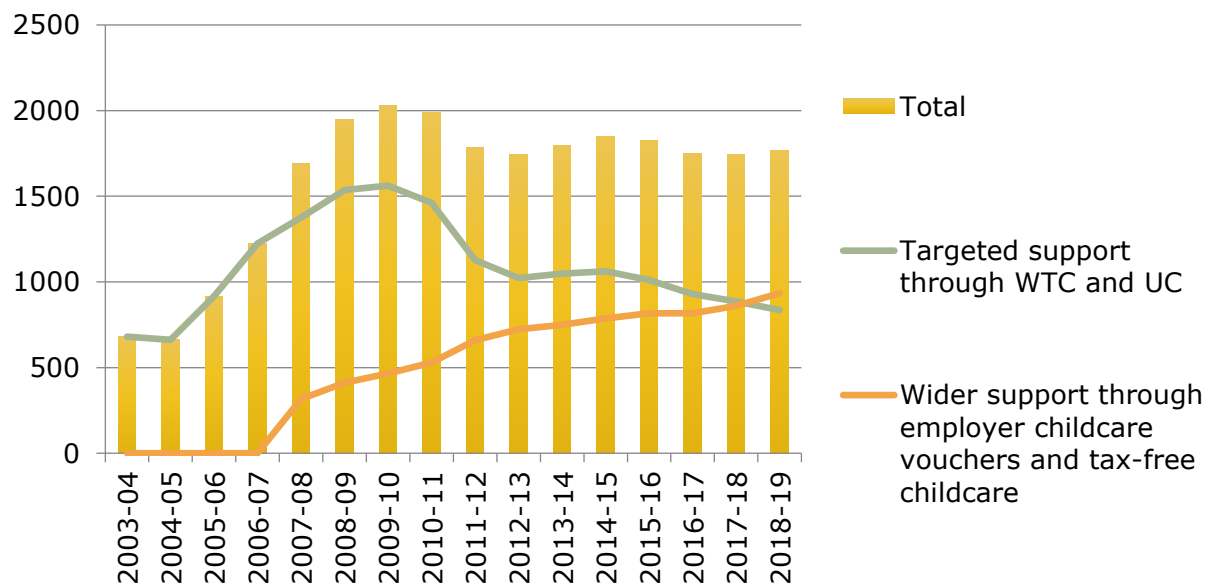
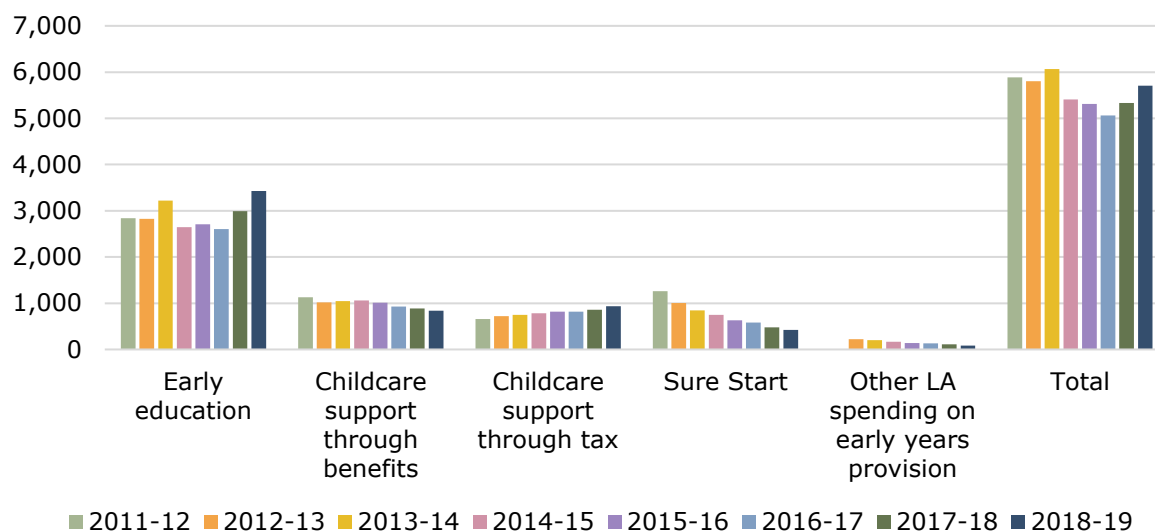


Figure 6 brings together spending on all services discussed so far. It is clear that the increased spending on the free entitlement since 2017, plus smaller increases in childcare support through the tax system, have outweighed cuts in spending on Sure Start and childcare support within the benefit system during the Conservative administration. Total spending on these services for young children has risen in real terms since 2014-15. The same is not true, however, across the Coalition/Conservative period as a whole: total spending in 2018-19 is £5.7 billion, down from £5.9 billion in 2011-12. (We cannot extend this series further backwards because of the break in the data for spending on early education, as explained above.)

Figure 6 Spending on services for the under-fives (£ million, 2018-19 prices)

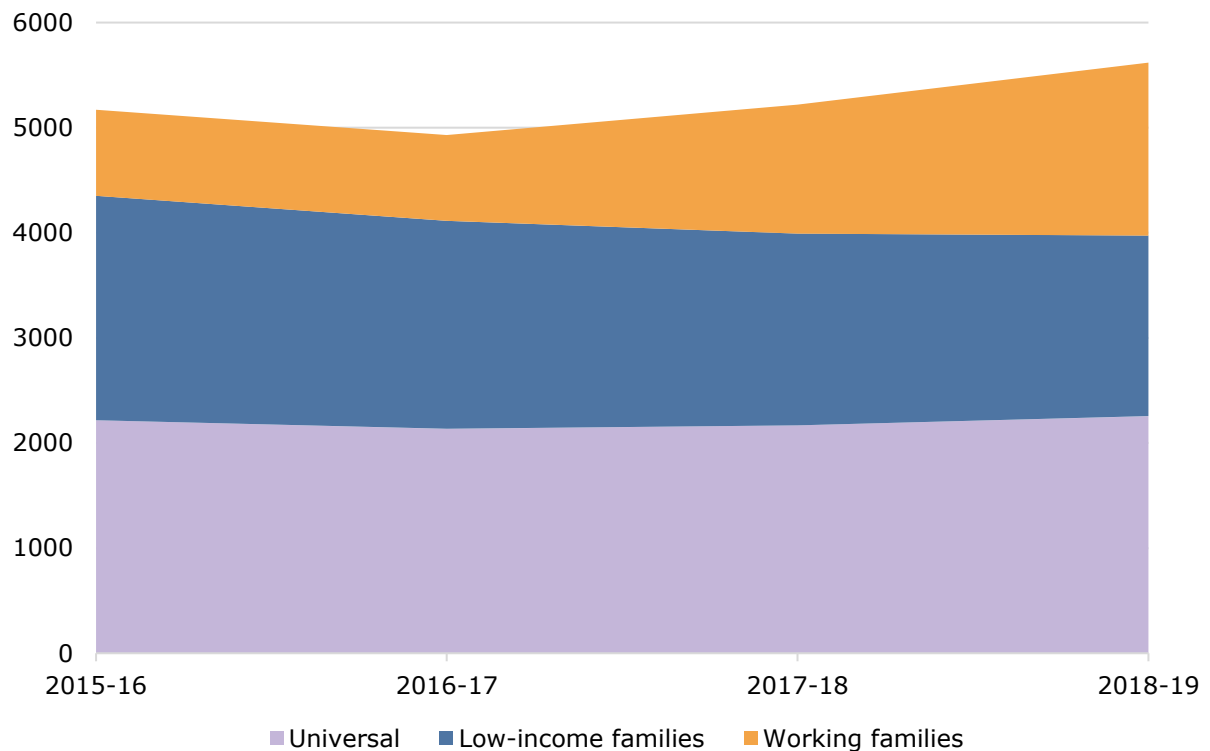


Source and notes: See notes to Appendix Table A1.

While total spending has risen in real terms under the Conservatives, the trends in different elements of this total have distributional implications.

Figure 7 shows the changing profile of spending on services for the under-fives since 2015-16 by whether they are universal or directed at either low-income families or working families. Note that IFS (2019a) produce a similar graph but just for spending on childcare subsidies. We have shown that there has been a shift towards the free entitlement and away from Sure Start; a shift within the free entitlement towards provision for working families rather than universal provision; and a shift within demand-side childcare subsidies towards middle and higher earners away from lower earners. These changes amount to a tilt away from low-income support towards support for working families, driven by the 30 hours policy and employer childcare vouchers.

Figure 7 Distribution of spending on services for the under-fives, by income/employment targeting mechanism, 2015-16 to 2018-19 (£ million, 2018-19 prices)



Sources: Table 1 and Table A1.

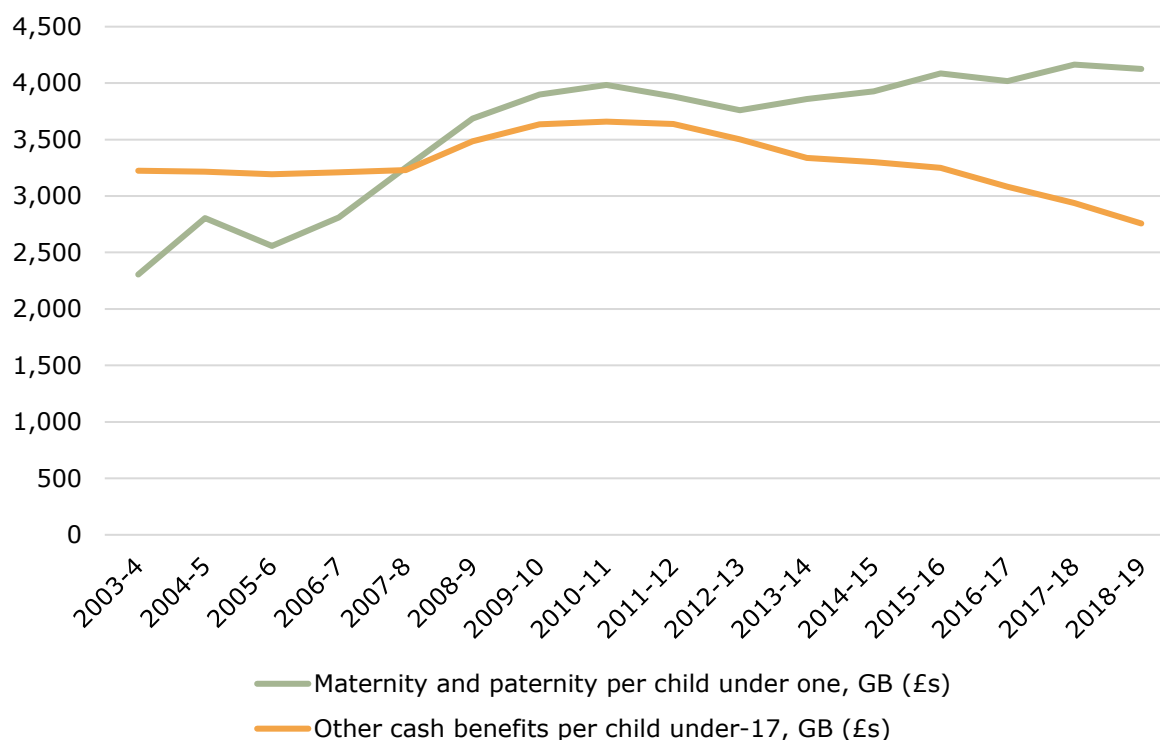
Notes: Universal spending includes spending on the three- and four-year-old universal 15-hour entitlement, supplementary funding for maintained nursery schools, the Disability Access Fund (DAF), and central spending by local authorities on under-fives. Spending on low-income families includes the two-year-old entitlement for disadvantaged children, childcare support through Working Tax Credit and Universal Credit, the Early Years Pupil Premium (EYPP), and Sure Start (current and capital). Spending on working families includes the extended 30 hour three- and four-year-old entitlement, employer childcare vouchers and tax-free childcare.

Spending on benefits

Appendix Table A2 details real-terms spending on maternity/paternity benefits and child-contingent cash benefits in Great Britain since 2003-04. After significant growth under Labour, spending on **maternity and paternity benefits** has been relatively stable since 2010, hovering around £3 billion in real terms. Meanwhile, **child-contingent cash benefits**, which more than doubled in the Labour years, have seen real cuts in every year since 2010-11, falling by 8% between 2010-11 and 2014-15 and by a further 14% between 2014-15 and 2018-19.

Figure 8 shows spending on both types of benefit on a per capita basis. Since 2014-15 there has been a slow but steady rise in spending per child on maternity/paternity benefits: this reflects stable total spending in a context of a slightly falling birth rate. The rise may reflect increases in take-up, as entitlements and pay have not changed in real terms. In contrast, spending per child on other cash benefits has fallen substantially since their peak in 2010-11, and most rapidly since 2015-16. The per capita fall since 2014-15 is 16%.

Figure 8 Spending per child on cash benefits and maternity/paternity benefits, 2003-4 to 2018-19 (£ per child, 2018-19 prices)



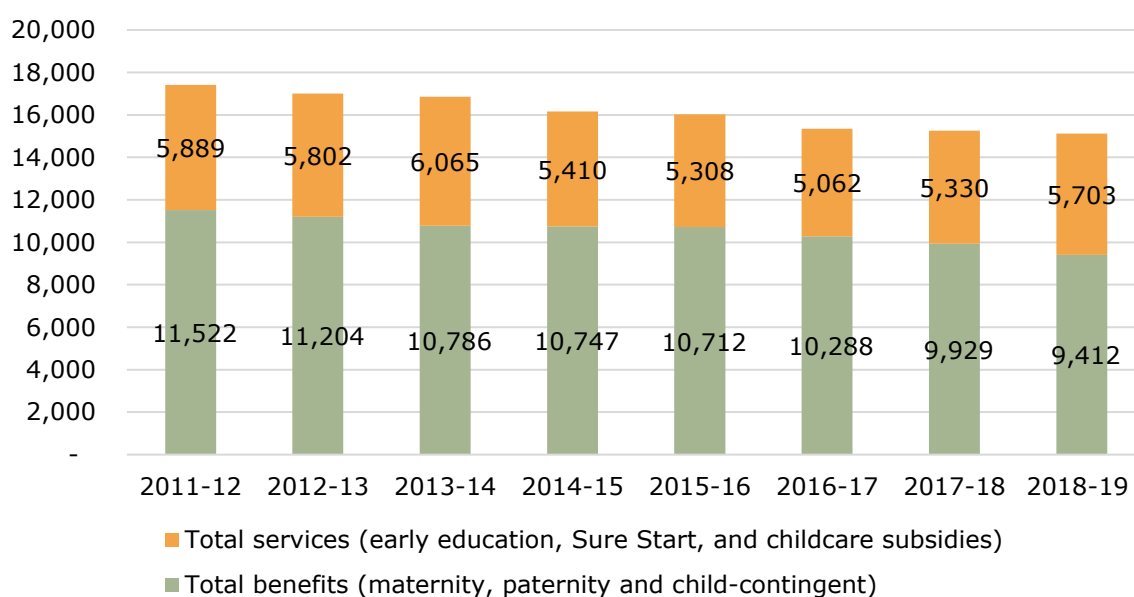
Source and notes: See Appendix Table A2.

Total spending on early childhood

Putting cash benefits and services together, Figure 9 shows that total expenditure on children under five has fallen fairly steadily since 2011-12 (with the exception of 2013-14), down by 7% in the three years to 2014-15 and a further 6% in the four years afterwards.

The Coalition explicitly aimed to shift support for families away from cash benefits towards services, and the Conservative policy agenda pushed towards continuing this trend. Within the shrinking overall envelope there has indeed been a shift in the balance of spending, as cuts to benefits have been sharper than in services and there have been some new spending commitments on ECEC. But the change is fairly minor. In 2011-12, 34% of the package shown in Figure 9 as services. This rose to 36% in 2013-14 (though again this year stands out from the time trend), before dipping back down to 33% through until 2017-18, when it started rising before finally reaching 38% in 2018-19.

Figure 9 Spending on benefits and services for the under-fives since 2011-12 in England (£ million, 2018-19 prices)



Sources: See Appendix Table A1 and Table A2.

Notes: 1. To enable comparison with spending on services for under fives in England, we have made two adjustments to GB totals in Table A2. (a) We have used ONS 0-17 population estimates to adjust benefit spending from GB totals to England. (b) We have taken 5/18 of cash-contingent benefit spending, the proportion of the 0-17 age range that under fives represent. This is likely to be an overestimate, giving upper bound figures for recent years, given changes including the two-child limit and the loss of the family element of CTC that have affected only families with a child under five. 2. Benefit spending includes all maternity and paternity spending from Table A2 (adjusted to England) as well as child-contingent benefits. 3. Service spending excludes spending on health and children's social care, as age-specific expenditure is not readily available.

Summary

Overall spending on cash benefits for families with children has fallen in real terms since 2014-15, and at a faster rate than the fall under the Coalition. Spending on services has risen, thanks to investment in the additional 15 hours of free childcare for three- and four-year-olds in working families. But the rise in service spending has not been enough to outweigh the reduction in benefit spending, and we calculate a decline of 6% in overall expenditure on young children in the four years from 2014-15.

Within the envelope of service spending, support has tilted away from low-income families towards working families. Sure Start has been cut; the free early education entitlement has been expanded but only for children with parents in paid work; and demand-side childcare subsidies have been cut for lower earners and expanded for middle and higher earners. The overall picture is one in which spending on the under fives is both falling overall and becoming less progressive in its impact.

6. Inputs

In this section we look at what has been provided with the resources discussed above. We begin by considering the number of Sure Start children's centres; then look at the number of early education providers and the places offered; and finally the numbers of ECEC staff with different qualifications. In the next section, Outputs, we look at how this translates into children's and families' experiences. There we examine take-up of parental leave; use of children's centres; take-up of early education; quality and affordability of early education and childcare; the generosity of wider cash benefits; and trends in maternal employment.

Sure Start children's centres

Figure 10 shows the total number of Sure Start centres based on published DfE data. Closures began in 2011 and continued into the post-2015 period, with the largest drop in 2015 itself. Since 2018 the data show the number of centres to have stabilised.

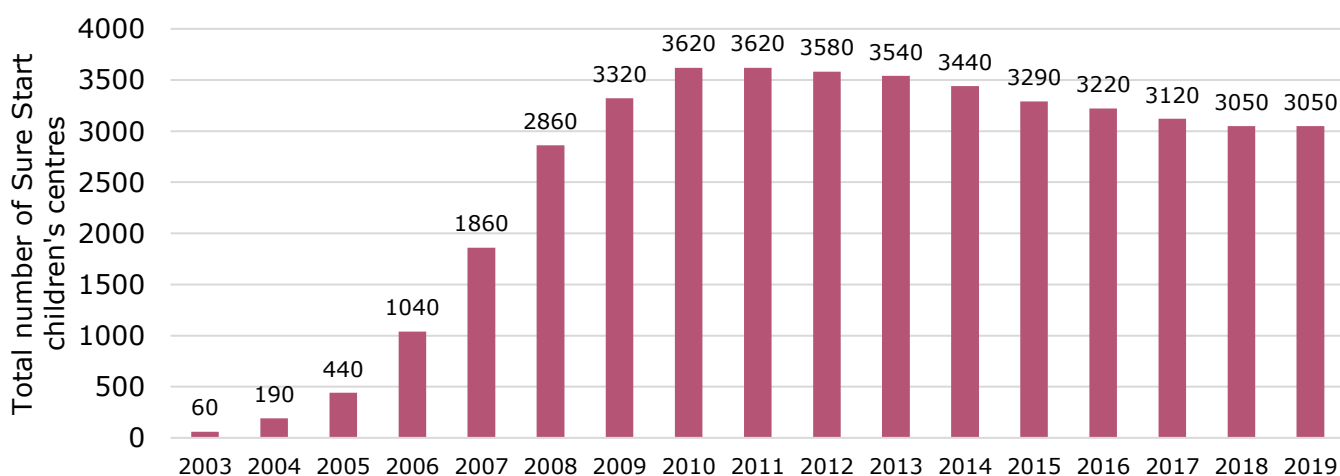
There is evidence that in making decisions on closures, local authorities acted to protect provision in areas of highest need. Analysis by the IFS (2019b) indicates that centres that were closed were much more likely to be in less deprived areas, as shown in Figure 11. This is reassuring,

although only partially, as not all disadvantaged children live in deprived areas and even the most deprived areas saw some closures.

The number of centres is in any case a fairly crude measure of the programme’s reach. If two centres merge this will lead to a reduction in the number of centres but does not necessarily reflect a cutback in provision. Conversely, areas that have stripped back services to their ‘core provision’ may not see any changes to the number of centres in their area, despite the consequent reduction in provision (Smith et al, 2018). Reorganisation of children’s centres appears to have been a key tool used to save costs. This has included incorporating the centre into a wider locality or district team; linking centres to local nurseries or primary schools; relying on external funding such as the Healthy Child Programme and the Big Lottery’s A Better Start (ABS); and shifting towards a ‘hub and spokes’ model with centres grouped into clusters of smaller, part-time services (Smith et al, 2018). By 2017, 19% of local authorities stated that only a few or none of their centres were open full-time (Smith et al, 2018). Elsewhere, main hubs closed but there was some growth in ‘linked’ providers, offering particular services or play groups. All these changes make it harder to assess Sure Start’s reach using centre numbers.

The relevance of counting the number of centres was a source of political debate in Parliament in 2015, with opposition MPs raising concerns about closures and the children’s minister, Sam Gyimah, rebutting that the opposition “wants to go on counting buildings and we want to focus on outcomes”.¹² In the Outputs section we look at changes in access to Sure Start services.

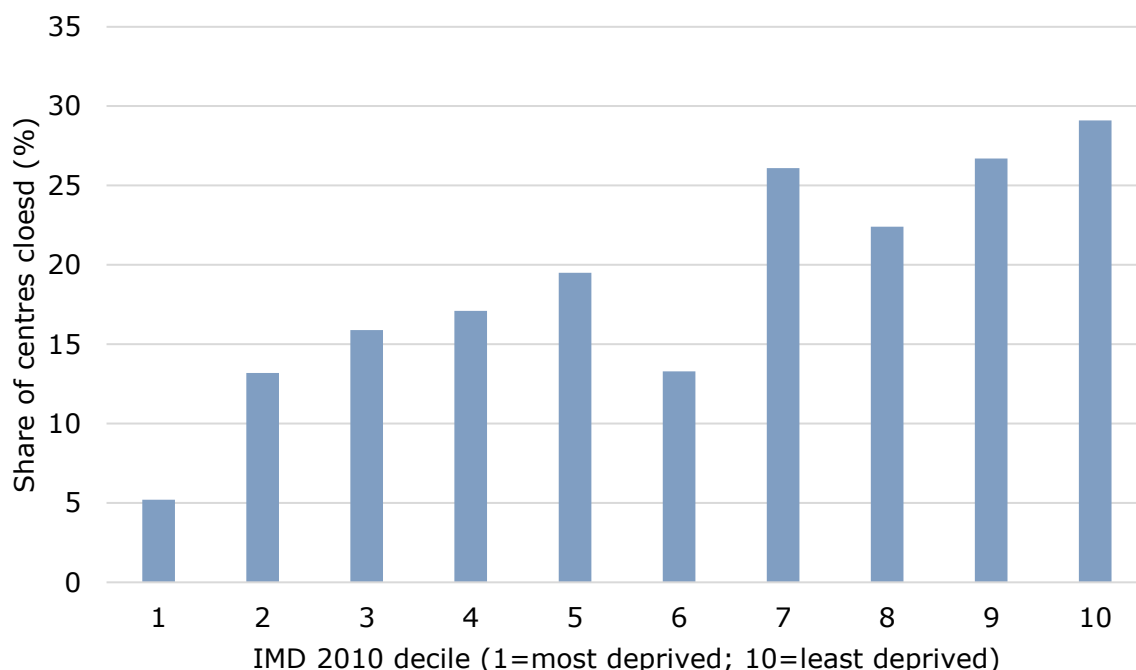
Figure 10 Total number of Sure Start children's centres and closures, 2003-2019



Source: DfE (2019c) Number of children’s centres 2003-2019.

¹² HC Debs, 20 July 2015, c. 1201.

Figure 11 Proportion of Sure Start children’s centres closed by July 2018, by Index of Multiple Deprivation decile



Source: IFS (2019b).

Number of early education and childcare providers and places

There are two main data sources on the number of total early education and childcare providers and places: Ofsted registration figures and the DfE’s Childcare Providers Survey.

Table 2 shows Ofsted figures for the number of childcare providers and places on the Early Years Register by childminders, non-domestic premises and domestic premises. Ofsted unfortunately do not provide a further breakdown of providers, for example by maintained nursery schools and the PVI sector. While the Childcare Providers Survey does do this, it is difficult to construct a consistent time series due to frequent changes in reporting and absent surveys in 2012, 2014, 2015 and 2017. The most consistent series that can be constructed for the full period are shown in Figure 12 (providers) and Figure 13 (places). The numbers behind the figures are reported in Appendix Table A3 and Table A4.

Table 2 Registration figures on the number of childcare providers and places

	Providers			Places		
	Childminders	Non-domestic premises	Domestic premises	Childminders	Non-domestic providers	Domestic premises
June 2009	59,490	27,322		291,974	1,042,020	
March 2010	56,881	26,737		280,988	1,027,420	
March 2011	56,365	26,243		275,491	1,023,602	
March 2012	56,347	25,800		282,158	1,026,340	
March 2013	54,778	25,688		277,422	1,029,219	
March 2014	51,789	25,547		265,366	1,022,563	
March 2015	47,558	25,741	189	259,699	1,036,457	3,557
March 2016	44,234	24,672	208	260,417	1,021,235	4,147
March 2017	41,465	24,479	198	256,267	1,029,028	4,069
March 2018	39,844	24,326	228	252,131	1,036,206	4,852
March 2019	37,299	24,134	219	240,724	1,064,677	4,817
% change 2015-2019	-22%	-6%	16%	-7%	3%	35%

Sources: 2015-2019 from Ofsted official data on [Childcare providers and inspections](#) (Ofsted, 2020a). 2009-2014 from Stewart and Obolenskaya (2016).

Notes: 1. Figures show numbers on Early Years Register (EYR) only, and therefore exclude providers and places by 'Home Childcarers'. School-based nursery provision (nursery schools and nursery classes) are also excluded.

From 2010 to 2014, the two data sources offered slightly different pictures of change in the number of providers and places over time, but since 2015 their conclusions have become more aligned. Ofsted's registration figures suggest that the total number of providers reduced by 16% from 2015 to 2019, mostly due to a decline in the number of childminders. The Childcare Providers Survey suggests a reduction in the total number of providers of 12% since 2016. This is also mostly driven by a fall in the number of childminders, but the survey also shows declines across all types of providers. Group-based (PVI) providers have fallen by 7% since 2016. This may be driven by a fall in voluntary providers linked to sustainability difficulties under the 30-hour entitlement and/or the new funding formula. We can only distinguish private from voluntary providers from 2018 to 2019, when we see the number of private providers increase by 3%, and voluntary providers fall by 1%.

Up to 2013, the survey data also reflects the funding squeeze on Sure Start and the change in official guidance under the Coalition that removed the requirement for Sure Start centres in disadvantaged areas to provide early education and childcare places. The number of children's centres providing daycare dropped by more than half between 2009 and 2013. The survey does not report children's centre provision after 2013.

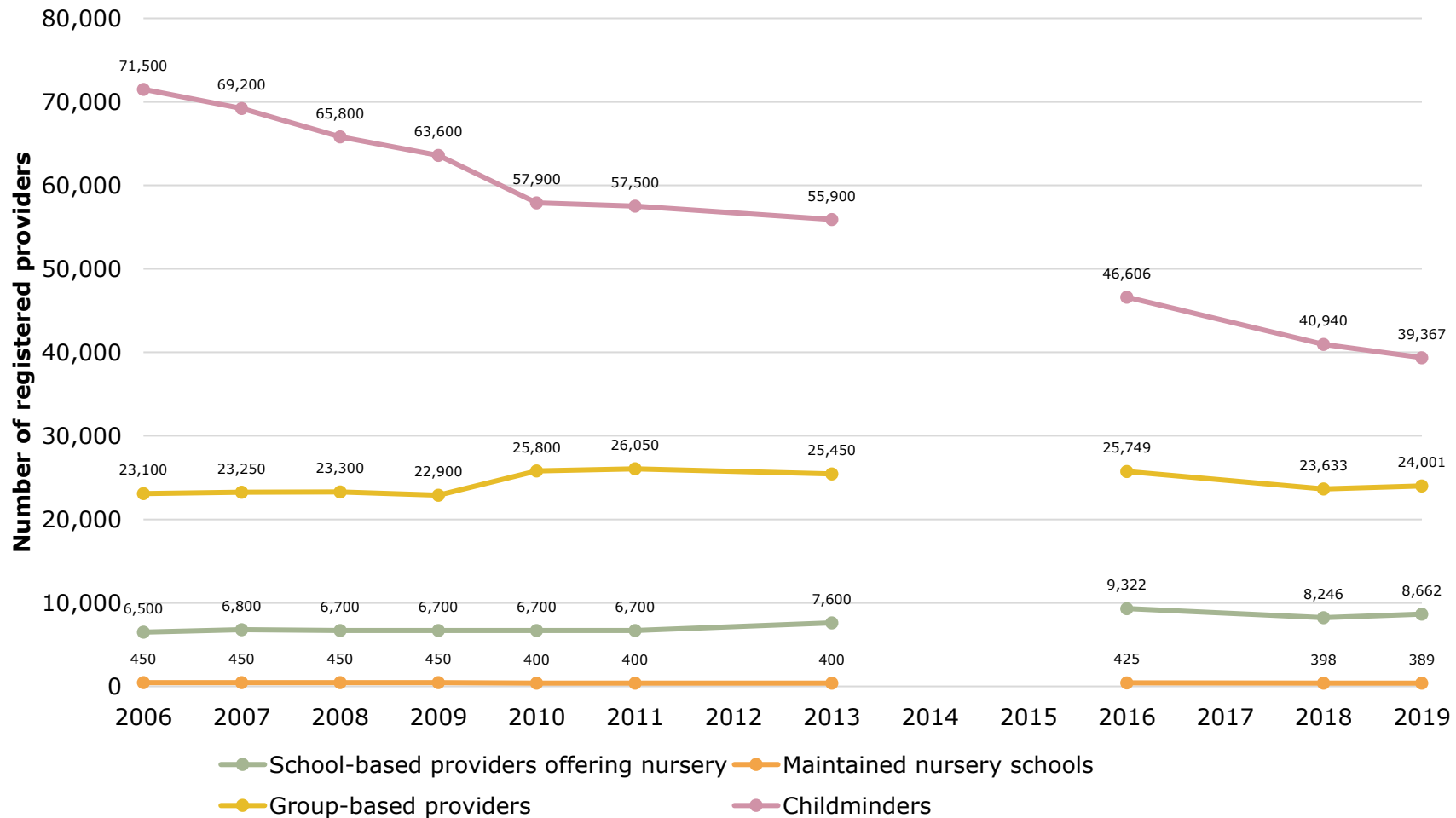
Provision in maintained nursery schools and classes is not included in the Ofsted figures but is covered by the Childcare Providers Survey. The number of maintained nursery schools appears to have fluctuated but by 2019 it was at its lowest point.

Both Ofsted and the Childcare Providers' Survey suggest that the total number of *places* available to children has fallen by less than the number of providers, or even (on Ofsted figures) risen slightly. This implies that providers are growing in size. Ofsted's Annual Report confirms that the average number of places per setting has increased for both childminders and day nurseries and preschools (Ofsted, 2020b). The Childcare Providers' Survey suggests the number of places has fallen by 9% since 2016, compared to a 12% fall in the number of providers. Again, the fall may be happening predominantly in the voluntary sector: places in voluntary providers decreased by 2% from 2018 to 2019 while places in private providers increased by 5%.

Changes in reporting mean that consistent comparisons of maintained school-based provision across time are complicated. To avoid presenting a misleading time series we do not show the number of primary schools with a nursery class, and only show the number of places in these classes from 2016. This still leaves some uncertainty as the 2018 and 2019 releases produce different estimates for 2018. Based on our analysis of these estimates, we conclude that there was a fall in the number of school-based nursery places in the region of 7 to 17%.¹³ There was also a small fall in the number of places in standalone nursery schools between 2018 and 2019, reflecting the fall observed in the number of nursery schools from 2016. These figures suggest that the May administration's strategy of boosting school-based nursery provision had not had an impact by 2019, and possibly that changes to the funding formula under the Coalition were having a negative effect. We look further at what has happened to enrolment at school nursery classes and nursery schools in the section on Outputs.

¹³ According to the 2018 release of the Childcare Providers' Survey, there were 37,141 more school-based nursery places and 956 more providers in 2018 than there were according to the 2019 release in 2018. To attempt to control for changes in reporting, we stress-test the 2019 figures by dividing the estimates for 2018 to produce a multiplier and applying this to the 2019 figure. For the number of providers, the estimates go in different directions. Comparing the 2019 figure (from the 2019 release) and the 2016 figure (from the 2018 release) would suggest that there has been a decline in school-based providers of 7%. However, when we 'stress-test' the 2019 figure by using the multiplier method, it suggests an *increase* of 4%. For the number of *places*, both approaches point to an increase but of different magnitude – 7% or 17%.

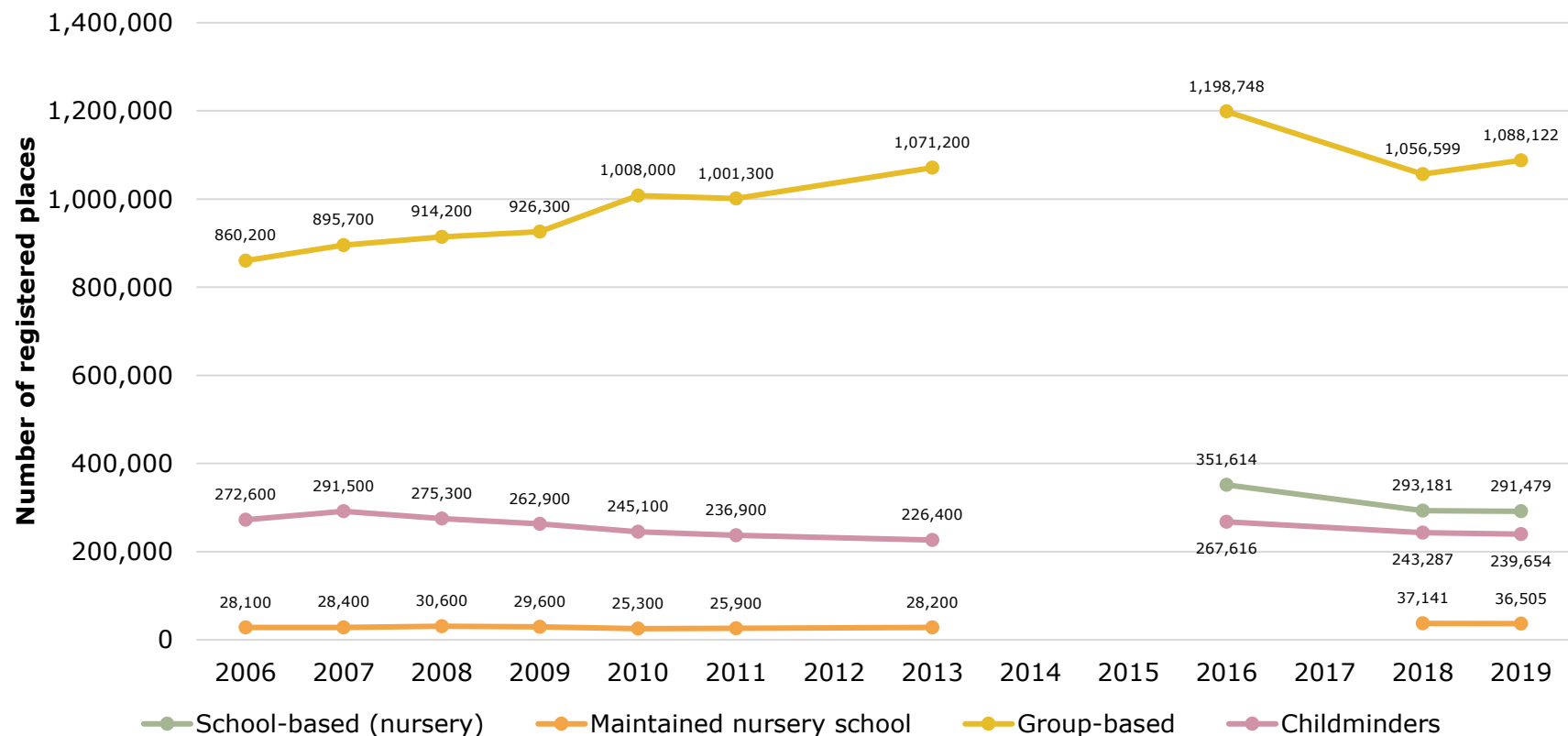
Figure 12 Number of registered childcare and early education providers by type of provider, 2006 to 2019



Sources: DfE Childcare Providers Surveys 2013 (for 2006-2013), 2018 (for 2016), and 2019 (for 2018 and 2019).

Notes: 1. No survey was conducted in 2012, 2014, 2015 or 2017. 2. Due to changes in reporting of school-based providers, no time series for this group from 2006-2013 is shown here.

Figure 13 Number of registered childcare and early education places by type of provider, 2006 to 2019



Sources: DfE Childcare Providers Surveys 2013 (for 2006-2013), 2018 (for 2016), and 2019 (for 2018 and 2019).

Notes: 1. As above. 2. Due to changes in reporting of school-based providers, no time series for this group from 2006-2013 is shown here.

The numbers presented here give us the national picture, but it is possible that trends in the availability of places vary across the country, both overall and by sector. Both the new Early Years National Funding Formula (EYNFF) and the 30 hours policy have had a significant, and potentially negative, impact on the environment facing early years providers. It is not yet clear how these changes will play out.

The EYNFF has meant significant redistribution of funding across areas, as local authorities no longer receive funding based on historical levels. From 2016 to 2018, 75 per cent of local authorities saw an increase in funding and 25 per cent saw a reduction (Akhal, 2018). Whilst there is little formal analysis of the distributional impact of the EYNFF, policy documents published by various London councils indicate that it has had a detrimental impact on their funding levels (Islington Council, 2018; London Councils, 2018). A consultation paper published by Islington Council in 2018 outlined the “continued impact” of the EYNFF on early years funding in the area, as the new funding formula withdrew funding that would have been allocated under the old formula due to high levels of deprivation. The council concluded that “The impact of the loss in funding is significant, particularly for settings which take the poorest children” (Islington Council, 2018, p. 6).

The EYNFF also requires local authorities to fix a single funding “base rate” to allocate funds to providers within the area, with only a very limited degree of variation. Noden and West (2016) identify a series of valid reasons for the varied and complicated formulae used by authorities prior to the introduction of the EYNFF. The new rules are likely to have quite different – and hard to predict – effects on the sustainability of provision across sectors within different authorities.

A survey of heads of early years in London boroughs undertaken in November-December 2017 (N=26) suggested that the EYNFF had had a particularly negative impact on the number of places for disadvantaged two-year-olds (London Councils, 2018). This may be because two-year-olds are more cost-intensive and there are additional funding incentives for three- and four-year-olds such as the Disability Access Fund and the Early Years Pupil Premium; hence if providers face financial pressure, they may decide not to offer two-year-old places. The 30 hours policy is also a relevant factor, as it makes it harder for providers to cross-subsidise funded hours by charging parents higher rates for additional provision, and therefore increases provider sensitivity to any differences in cost or targeted subsidies. When local authorities were asked what had caused the reductions in two-year-old places, 31% of local authorities stated it was due to both the EYNFF and the 30 hours policy, 15% due to just the EYNFF, and 8% due to just the 30 hours policy (London Councils, 2018).

In an analysis of the impact of the 30 hours policy in 12 selected local authorities with a mix of childcare providers, Paull and La Valle (2018) found a decline in the number of funded two-year-old places in settings delivering the extended hours, but the effect was very small (0.2 places per provider). Of potential concern for the future of provision, they also identify substantial numbers of providers reporting a negative financial impact: 39% said their profit or surplus had been reduced (16% said it had increased), while 25% said the policy had shifted them from surplus to break-even or from break-even to loss (7% reported a move in the opposite direction). Notably, private providers were more likely to report additional difficulties than voluntary providers, likely reflecting higher parental fees for paid-for hours.

On the other hand, the Coram Family and Childcare annual childcare survey points to an improving picture in terms of overall sufficiency of the sector. While only 63% of local authorities reported in 2019 that they had sufficient places for all eligible two-year-olds, this represents a substantial improvement compared to the 30% of authorities who said they had enough places in 2016 (Harding et al, 2017; Coleman and Cottell, 2019). For three and four-year-olds, there is evidence of insufficient supply in some areas, but overall there have been strong improvements: 74% of local authorities said they were able to meet demand for the 15 hour entitlement in 2019, compared to 56% in 2016; 62% said they could deliver the 30 hours, compared to 45% in 2018. Given the slight decline in overall places documented above, the fall in the size of the cohort may be helping to meet demand. Yet there are still particular problems in some parts of the country. The share of authorities able to cater for all two-year-olds ranged from 40% in the East of England in 2019 to 91% in the North East, while the share able to deliver the 30 hours policy ranged from 40% in the East of England to 92% in the West Midlands (Coleman and Cottell, 2019). There has also been little progress in meeting needs of specific groups: only 23% of local authorities said they had sufficient places for disabled children in 2019, compared to 21% in 2015 and 15% in 2016 (Coleman and Cottell, 2019; Rutter, 2016).

Staff numbers and staff qualifications

There is some evidence of increases in numbers of staff working in early education and childcare, but also very small declines in the share of staff with relevant qualifications. Analysing data from the Labour Force Survey (LFS), Bonetti (2020) finds a 9% increase in the number of early years workers (which does not include qualified teachers working in the maintained sector) between 2014 and 2018, from 272,900 to 298,500. However, there were very slight falls in workforce qualifications over this period. Between 2013 and 2018 the LFS data suggests that the share of workers holding a first or foundation degree remained steady at around 13%, while the share with a diploma fell from 7.4% to 5.5%, and the share

with NVQ level 3 or equivalent fell slightly from 40% to 39%. Bonetti links this stagnation in graduate staff numbers to the loss of ring-fenced funding for qualification improvements. Meanwhile the introduction of the minimum GCSE requirement is found to have created difficulties in attracting more qualified workers to the sector (ending in the requirement being scrapped in April 2017); the combination of tougher regulations without the funding to support it led to reduced supply.

From 2018, the DfE report data from the Early Years Census (EYC) in a way that allows us to see the share of staff in PVI providers with particular qualifications as the highest level (DfE, 2019a). Numbers are not fully consistent with those reported by Bonetti (2020), for several reasons: the LFS is a survey rather than a census, and relies on self-report; the definitions of who counts as a childcare worker are slightly different in the two surveys; and the LFS does not seem to capture all relevant level 3 qualifications.¹⁴ As a full census, the EYC is probably the more reliable source, but we can only see what has happened since 2018. The total number of staff increased from 254,000 to 262,000 between 2018 and 2019 (DfE, 2019a, Table 21). There were small increases in the numbers of graduates, level 3 qualified staff and unqualified staff. As a percentage of the workforce, numbers changed little: the share with graduate qualifications remained at 7%, the share with a level 3 dropped slightly from 66% to 65%, the share with a level 2 dropped from 12% to 11% and the share with no qualifications increased from 14% to 16%.

Summary

The number of Sure Start children's centres continued to fall from 2015, at nearly the same rate as the drop between 2011 and 2015. The number of ECEC places either fell or rose very slightly, depending on the source. Within the total, there are indications that the number of places in maintained nursery schools and classes fell, along with places in the voluntary sector, while the number of places in the private sector rose. National totals may be masking considerable variation by local authority, with some evidence that settings in more disadvantaged areas may have been harder hit, but it is beyond the paper's scope to explore this further. There appears to have been little change in the share of workers in PVI settings with different levels of qualifications. Trends by sector and in qualification levels will be revisited in the next section, when we look at changes in children's enrolment in different types of setting.

¹⁴ We thank Sara Bonetti for helpful insight on this point.

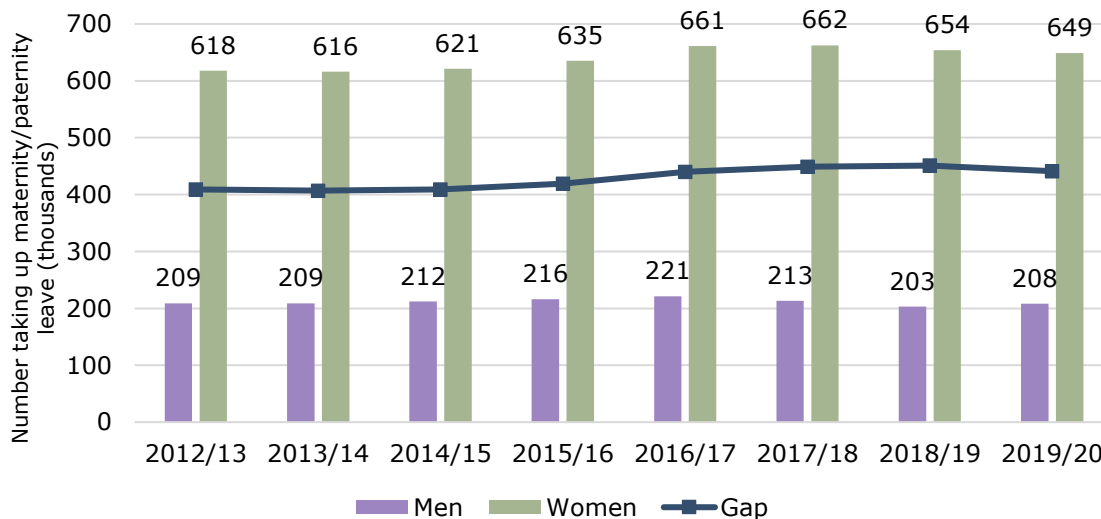
7. Outputs

In this section we look at services and benefits from the perspective of children and families. We consider take-up of maternity and paternity leave; experience of Sure Start provision; access, quality and affordability of early childhood education and care (ECEC); the adequacy of wider cash benefits; and trends in maternal employment.

Take-up of parental leave

Figure 14 shows the number of men and women taking maternity or paternity leave since 2012-13. It shows that while the number of men taking paternity leave has been declining, the number of women taking maternity leave has been increasing, meaning that the gap between women and men taking time off around having a child has widened since 2015-16.

Figure 14 Number of women and men taking maternity/paternity leave (thousands)



Source: EMW (2019, 2020), based on freedom of information requests to HMRC.

Take-up rates for paternity leave have been falling since 2014-15 (EMW, 2019; EMW, 2020). In 2018-19, less than a third (31%) of eligible new fathers took up their statutory two-week paternity leave. This came after four consecutive years of falls in take-up, from 34% in 2014-15.

This is disappointing given the introduction of shared parental leave in 2015, which aimed to encourage fathers to share the 52 weeks of statutory maternity leave. Take-up of shared parental leave remains extremely low, at an estimated 2 percent (EMW, 2020). HMRC had projected that take-up would be somewhere between 2 to 8 percent in the first few years of the policy (BBC, 2018). While the number of couples claiming shared parental leave increased by 25% in the last year, this still only represented 13,100

families, when the number of women taking maternity leave is over 650,000 (EMW, 2020).

There is relatively little research so far on the reasons for low take-up of shared parental leave, but qualitative research by Birkett and Forbes (2019) points to practical and economic drivers, such as the complexity of shared parental leave, low statutory shared parental pay (especially in families where fathers are the main earners), and the exclusion of the self-employed from the scheme. It also identified cultural barriers, such as workplace cultures that discourage men from taking up paternity leave, and practices of maternal and paternal 'gatekeeping' that affect how mothers and fathers define their roles in bringing up children. Some mothers used the full 52-week maternity leave period (rather than using shared parental leave to take time off together in the early months) to save childcare costs. This suggests that policy efforts on parental leave will be ineffective without improvements to statutory pay and without some time being ringfenced for fathers only. Childcare affordability may also play a role.

Sure Start children's centres: access and experience

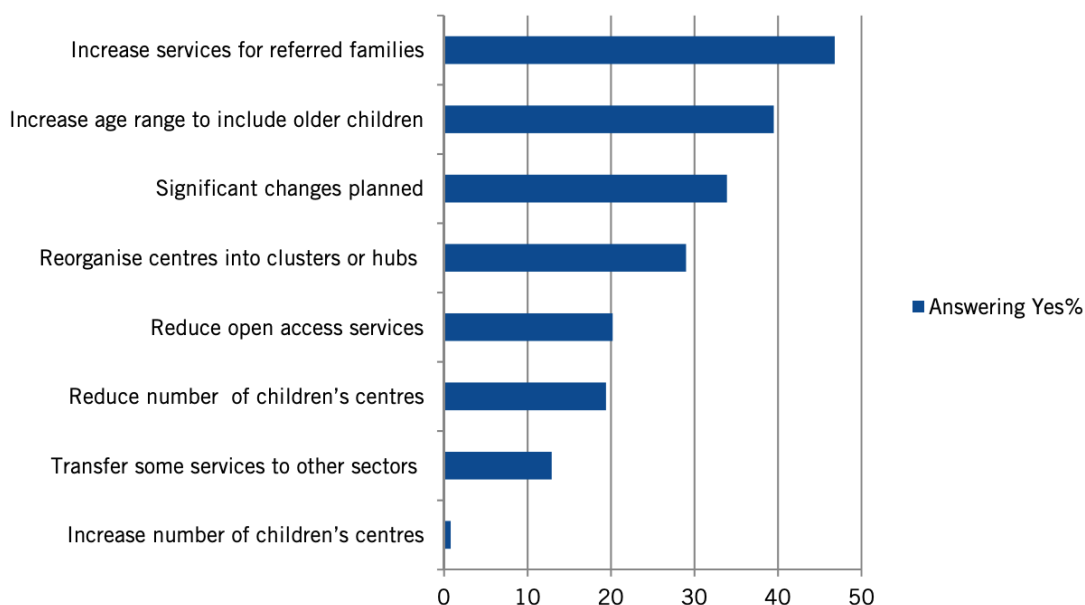
Attempts to capture access to Sure Start services show a fall in availability, as expected given the scale of the funding squeeze. Action for Children (2019) compiled responses from all 152 local authorities to a Freedom of Information request asking about children's centre use. Based on these responses, they estimate that the number of children using children's centres fell by 18% between 2014-15 and 2017-18: in 2017-18, 41% of children under five had used a children's centre, compared to 50% three years earlier. Their analysis points to a *faster* fall in the number of children using centres in the most deprived local authorities (22%) than in the least deprived (12%), despite centre closures being concentrated in less deprived areas (Action for Children, 2019; IFS, 2019b). Spending per child fell from £532 in 2014-15 to £412 in 2017-18 (Action for Children, 2019).

There is also evidence that the profile and range of services on offer by centres has changed in recent years. When Sure Start was founded in 1998, it was underpinned by the principle of progressive universalism, with standalone centres functioning as 'one-stop shops' open to all within pram-pushing distance. While provision was targeted towards disadvantaged areas and designed to help disadvantaged families the most, services were diverse and open-access. The mixing of children from different social backgrounds was seen as key to promoting social mobility and socio-emotional development among young children. Then the Coalition government introduced new statutory guidance on the "core purpose" of Sure Start centres in 2013, which emphasised that services should be targeted towards those with "high need". This guidance remains in place. Smith et al (2018) conducted a brief email survey of all 152 local authorities in England over the summer and autumn of 2017 on changes to children's

centre provision. They find that while most children’s centres continue to have open-access services, in some cases these are now run by other voluntary services, or strictly divided from services targeted to disadvantaged families, with potential implications for social cohesion. There is a greater focus on more limited services targeted at referred families. Some 55% of local authorities said that the range of services provided had declined over recent years, with only 35% providing a range of ten or more services (Smith et al, 2018).

The survey picked up another trend: the integration of children’s centres into wider packages of ‘early help’ as part of local teams with a much wider age range – 0-19 or even 0-25. More than 40% of local authorities had extended the age range covered by children’s centres to include school-age children, though only 12% said this had had a negative impact on services for 0-4s (Smith et al, 2018). As youth services and support for school-aged children have also faced funding pressures, this makes some sense, and we do not yet have information on what it means for the reach or quality of services. However, it does suggest the decline in provision for the under-fives may be underestimated by Sure Start expenditure figures. When asked about substantial changes planned in the next school year, local authorities reported that an increased emphasis on services for referred families, an increase in the age range, and reorganisation of centres into clusters or hubs were the most likely (see Figure 15).

Figure 15 Percentage of surveyed local authorities who think that substantial changes will occur to Sure Start centres in the current school year, by type of change



Source: Smith et al (2018).

Note: Brief email survey of all 152 local authorities, conducted in the summer and autumn of 2017. Response rate = 84% (N = 124).

This squeeze on Sure Start is of concern both for parenting and parenting support as well as for children's very early experiences of play and learning before more formal early education begins.

Early childhood education and care: access

Overall take up of free entitlement places by two- to four-year-olds is shown in the Appendix in Table A5 and Table A6. For two-year-olds, take-up rose sharply after the targeted policy was first introduced but peaked at 72% in 2018, falling to 69% of eligible children in January 2020. Take-up of the universal offer for three- and four-year-olds remains much higher, but it has been in slow decline over the last five years, falling from 93% to 91% for threes and from a peak of 98% in 2014 to 94% for fours.

Within these overall totals, we know that 38% of three-year-olds in funded places (236,000 children) were accessing an extended day under the 30 hours policy in 2019, up from 34% in 2018, though we cannot say what share of eligible children this represents (DfE, 2019a, Table 5). Among four-year-olds, the 30 hours policy has affected fewer children in total (92,000 in 2019) but this is simply because many four-year-olds (more than three in five children in this age group) were already in full day reception classes when the policy was introduced.¹⁵ Among four-year-olds *not* in reception in January, the 30 hours policy is reaching a very similar share to that for three-year-olds: 33% in 2018, 38% in 2019 (DfE, 2019a, Tables 6 and 7). The true extent of additional provision this represents is not known, however, and there may be some regressive redistribution of additional hours that is hidden by the data. We know that some local authorities were providing longer days in nursery classes and nursery schools for some groups of children *before* the introduction of the 30 hours policy, but with the places targeted on needs rather than parental working patterns. A Freedom of Information request by Nursery World found that one fifth of local authorities operated targeted early years schemes that were being cut as a result of the 30 hours policy (Crown, 2018).

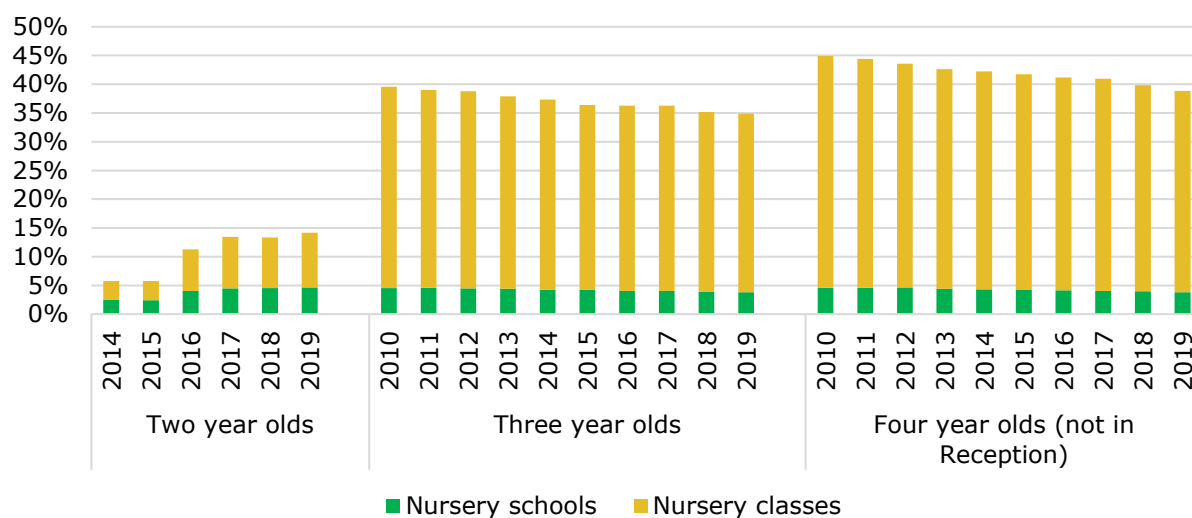
Is it possible that the 30 hours policy could have pushed some children out of ECEC altogether, explaining the fall in overall take-up figures? We are not able to comment on this in detail, and it is important to note that for four-year-olds the decline in take-up started several years before the 30 hours policy was implemented in 2017. However, according to an NAHT survey (2018), 24% of providers felt that the 30 hours offer had displaced more disadvantaged three- and four-year-olds who were only entitled to 15 hours. While hourly funding rates for 15 and 30 hours are the same, it may be easier and more cost effective to cater to one child for a full day

¹⁵ The census data is collected in January of each year; children turning five between January and August will be in reception class at that point unless their parents have chosen to delay school entry.

than two children for half a day each. In a context of very tight margins, such factors could make a big difference. Some local authorities, especially in London, have also reported challenges in delivering two-year-old places linked to the 30 hours policy and the EYNFF, as discussed above (London Councils, 2018).

Some of the most interesting effects of policy and funding changes are likely to be not in overall access, but in the *type of setting* children go to (e.g., maintained nursery class, private day nursery or voluntary sector pre-school), and how this interacts with *children's background*. We start by showing the share of two-, three- and four-year-olds accessing places in the maintained sector, using our own analysis of microdata from the National Pupil Database (NPD). Figure 16 shows a steady increase over time in two-year-olds taking up their funded place in a maintained nursery school or class. The share of children in these settings more than tripled between 2015 and 2019 to reach 14% of the total. This may be seen as a positive trend, given the goal of increasing school-based provision under Theresa May's administration. But meanwhile the share of three- and four-year-olds in both nursery classes and nursery schools has fallen. Taking two- to four-year-olds together there were 5% fewer children in maintained places (excluding reception) in 2019 relative to 2015. Thus despite the stated intention, maintained nursery provision is falling overall. The School Nurseries Capital only allocated funds in July 2019 so the impact would not yet have shown up. But it appears that pressures on school funding as a result of the EYNFF may be pushing in the opposite direction, towards nursery closures. Further, it is not fully clear that it is a good thing that more two-year-olds are in state nurseries rather than private and voluntary playgroups and pre-schools, Sure Start provision and local authority nurseries. While staff qualifications are higher in the state sector, provision may be more formal and less suitable for the youngest children.

Figure 16 Share of two-, three- and four-year-olds in maintained nursery schools and classes (among children accessing a funded place)



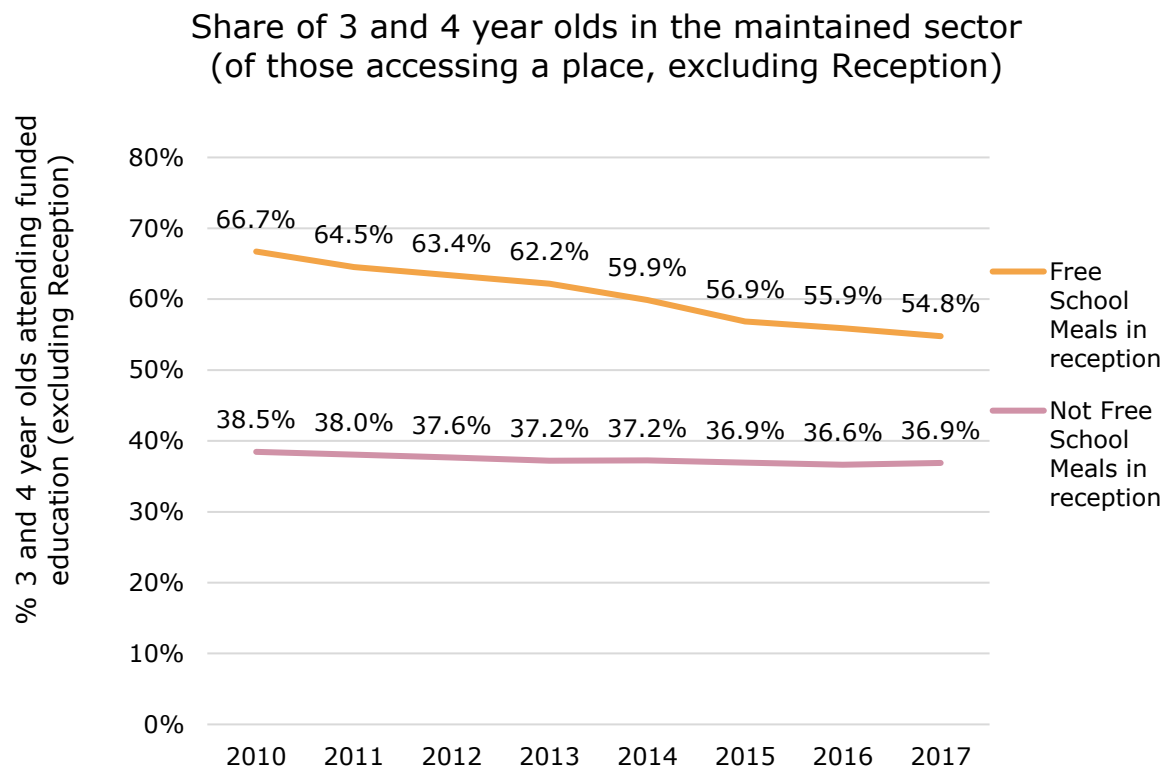
Source: Authors' analysis of the National Pupil Database (NPD).

Notes: 1. Shows children in maintained nursery schools and classes as a share of all children in funded early education, excluding those in reception classes.

Figure 17 shows the share of three- and four-year-olds accessing places in the maintained sector, split by whether or not the child is registered for free school meals (FSM) when they reach reception class. The free school meal measure is a blunt one and not contemporaneous, and we can only construct the series up to 2017.¹⁶ However, it is the only indicator we have of the child's socioeconomic status in the NPD, and the pattern revealed is striking. Virtually all the decline in maintained sector enrolment has taken place among children who will later claim free school meals: the share of this group accessing the maintained sector fell from 67% in 2010 to 55% in 2017. Meanwhile there has been almost no change for other children. The rate of decline for FSM children was greatest between 2010 and 2015. However, looking back to Figure 16 suggests that a further decline may be expected from 2017, once data are available.

¹⁶ There are no free school meals in the pre-school years, so we need to track children through to reception for this measure. Some children aged three in January 2017 will not be observed in reception until January 2019, which is the most recent year for which we have NPD access. We are therefore unable to compare FSM and non-FSM three-year-olds from 2018 as of yet.

Figure 17 Share of three- and four-year-olds in the maintained sector by FSM status (of those accessing a place)



Source: Authors' analysis of the National Pupil Database (NPD).

Notes: 1. Nursery schools, nursery classes and local authority day nurseries have been included. Local authority day nurseries make up only 1-2% in each case with no downward trend. 2. These figures show children in different maintained settings as a share of all children in funded early education, excluding those in reception classes.

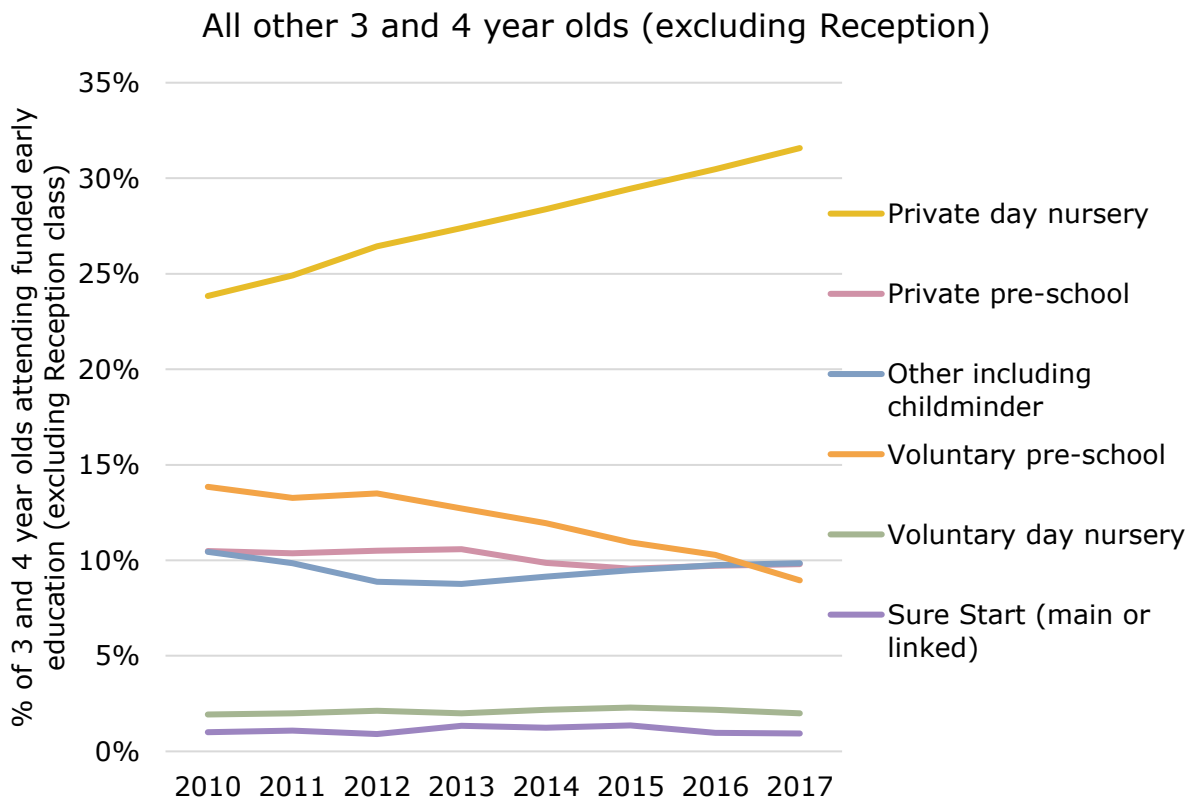
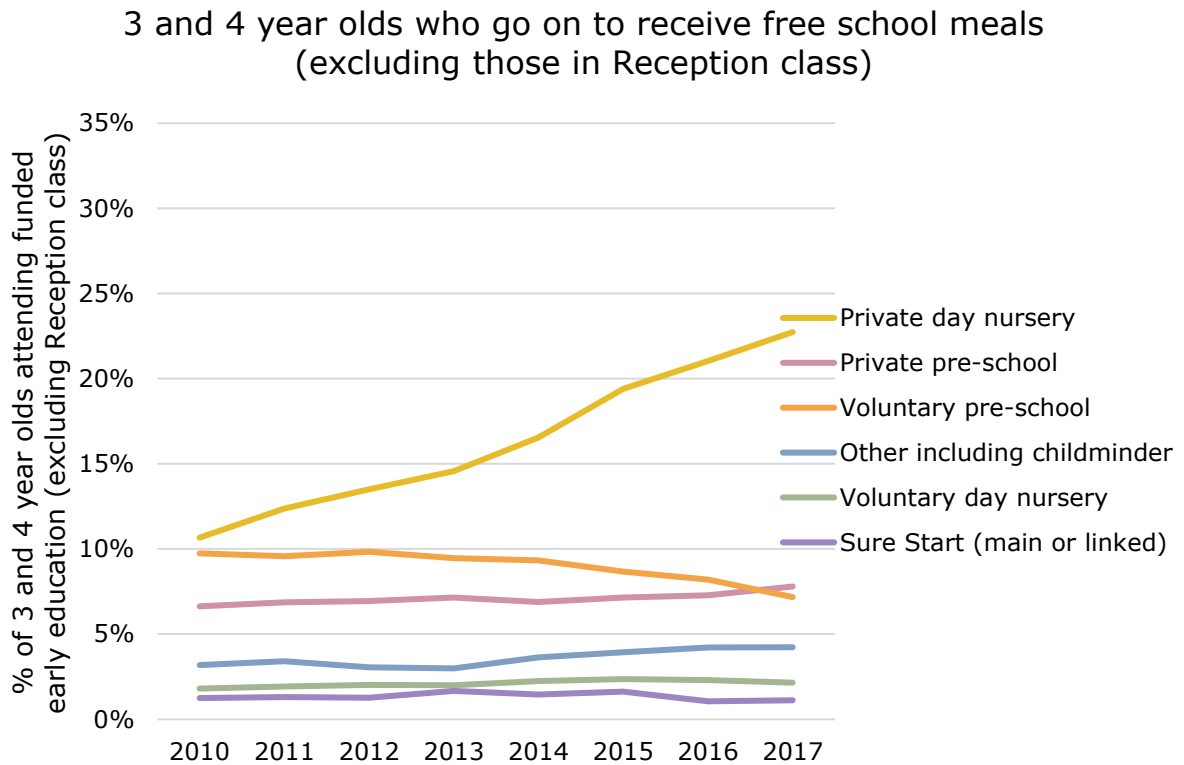
This is important because maintained sector settings have a strong claim to be offering higher quality provision on average, as they are required to have qualified teachers in the classroom. As noted earlier, historically these settings have been concentrated in inner city areas, and this has served to ensure an unusual social gradient operating in the interests of the poorest children. Figure 17 shows that this advantage is being rapidly eroded, and this is *before* any impact of the 30 hours policy. The pattern observed so far may possibly reflect the impact of the changed funding formula (EYNFF) introduced under the Coalition, though more research on this is needed.

Meanwhile, a growing share of three- and four-year-olds from low-income households, and a clear majority of three- and four-year-olds overall, are accessing their funded places in the PVI sectors. The PVI sector is a broad grouping covering a range of types of provision. Drawing on our own analysis of the NPD, Figure 18 breaks it down separately for three- and four-year-olds who do and do not go on to claim FSM in reception. It is clear that private day nurseries increasingly dominate the PVI landscape. There has been a particularly sharp shift towards these settings among children who go on to claim FSM. This shift comes in part from a decline in

attendance at nursery schools and classes, as shown in Figure 17, and in part from a steady fall in voluntary sector pre-schools.

These changes in the early years landscape do not arise from an explicit policy decision to expand the private sector, though they may result indirectly from funding formula changes. Whatever the cause, the speed of the shift is remarkable, and may have implications for children's experience. For example, areas with a higher share of private provision have been found to have more inequalities in take up than areas with more voluntary or maintained provision (Campbell et al, 2019). Whether there are also implications for the quality of provision is discussed in the next sub-section.

Figure 18 Three- and four-year-olds in the PVI sector by FSM status



Source: Authors' analysis of the National Pupil Database (NPD).

Notes: 1. These figures show children in different PVI settings as a share of all children in funded early education, excluding those in reception classes.

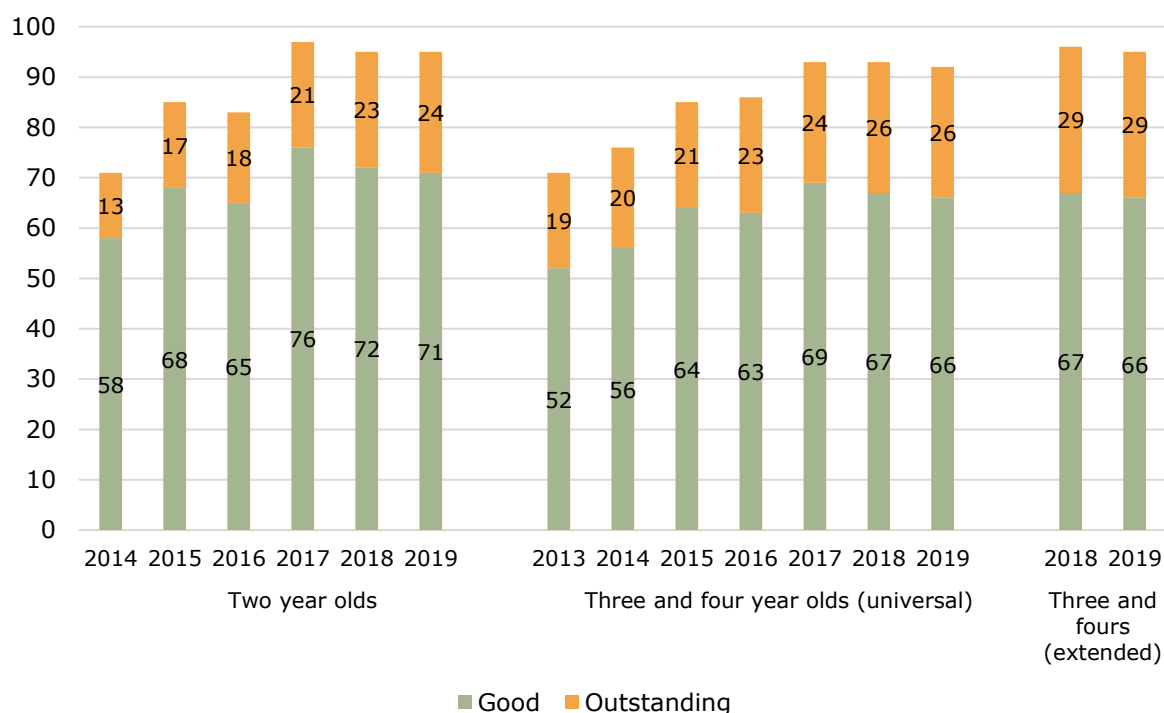
Early childhood education and care: quality

Ideally, measures of ECEC quality would directly capture the nature of interactions and activities that take place in ECEC settings. While such measures exist (e.g., the Early Childhood Environment Ratings Scales, ECERS), they are labour intensive to collect and not commonly available for most settings. In their absence there are two main alternatives in England: Ofsted inspection data and measures of staff qualifications. We look at both of these and then at evidence on a funding stream intended to improve quality specifically for more disadvantaged children – the Early Years Pupil Premium.

Ofsted ratings

Ofsted allocates schools and registered early years providers one of four ratings after an inspection – outstanding, good, satisfactory or inadequate. Ofsted ratings have limitations as a quality measure: inspections can take place at up to four yearly intervals and tend to be narrowly focused on learning in relation to the EYFSP, compliance with minimum requirements and provider resources, rather than children’s experiences; a rating of good or outstanding has been shown to be only weakly correlated with ECERS ratings (Mathers and Smees, 2012). Ratings are also influenced by observed levels of child development, which means they may be affected by factors external to the centre such as the socio-economic status of parents. Notwithstanding these imperfections, trends in the ratings over time may be expected to tell us something of interest. Figure 19 shows the percentage of two-, three- and four-year-olds attending settings that are rated good or outstanding since 2013. For all age groups, the share rated both good and outstanding shows a clear upward trend to 2017. After that the share rated outstanding continues to increase, though there is no further progress in the two categories together. By 2019 there are still 5% of funded two-year-olds and 8% of three- and four-year-olds attending settings rated satisfactory or inadequate, but this represents a big improvement on the situation five years earlier. Children accessing the extended entitlement (who are the children of working parents) are a little more likely than children accessing only 15 hours to be in good or outstanding provision. This points to a potential inequality, although it could also reflect an indirect influence of parental characteristics on the rating levels.

Figure 19 Percentage of two-year-olds and three- and four-year-olds in funded early education that is rated Good or Outstanding by Ofsted



Source: DfE (2019a) Education provision for children under five (and earlier editions).

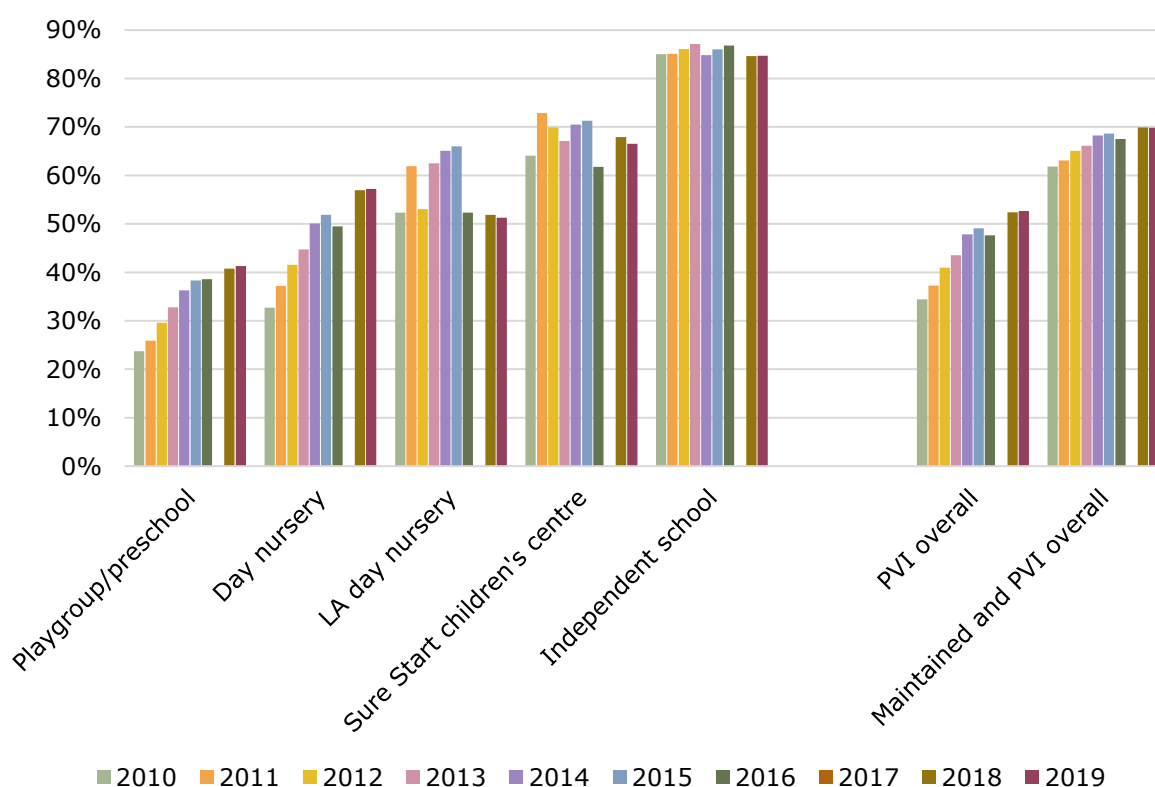
Staff qualifications

Staff qualifications are frequently used as a structural indicator of high-quality provision. Policy debate in England has focused heavily on the presence of specialised graduates, although the prevalence and nature of other more vocational qualifications are also likely to be important, as are staff pay and conditions, which are important to attracting and retaining motivated staff. The Early Years Census has only recently started collecting information on non-graduate qualifications, so we focus here on graduates – those with Qualified Teacher Status, or Early Years Professional/Teacher Status. Drawing on our own analysis of the NPD, we look at the share of three- to four-year-olds attending settings where a qualified graduate works directly with the children. There are three main aspects to the story. First, there have been increases in the share of children attending centres with a graduate, across most types of PVI setting (note that all maintained nursery schools and classes must be led by a qualified teacher). However, when we look only at qualified teachers (QTS), the picture is more complex, with limited or no progress overall. Third, this fact plus the falling share of children eligible for free school meals attending maintained settings means a substantial drop in the share of children from low-income households with access to a QTS.

Figure 20 shows the share of three- and four-year-olds attending PVI settings with any graduate, by type of setting. There have been increases

in the prevalence of graduates working directly with the children in PVI day nurseries and pre-schools. The picture is less positive for Sure Start children’s centres and day nurseries run by local authorities, plausibly reflecting the impact of funding cuts (local authority providers are included in the figure despite being part of the maintained sector but are shown separately from all other types of day nursery). Nonetheless, as Sure Start and LA nurseries each make up only a tiny share of total provision, the overall share of children attending PVI settings with graduates has increased. That translates to a smaller increase in the share of children as a whole accessing settings with graduates (including the maintained sector) – up from 63% in 2010 to 70% in 2019. Note that day nurseries are much more likely to have graduate staff than pre-schools and have seen the most rapid increases, which may be encouraging from the perspective of the decline in pre-school attendance and increase in day nurseries observed above.

Figure 20 Percentage of funded 3- and 4-year olds attending settings where a qualified graduate (QTS/EYT/EYP) works directly with the children, by category of provider

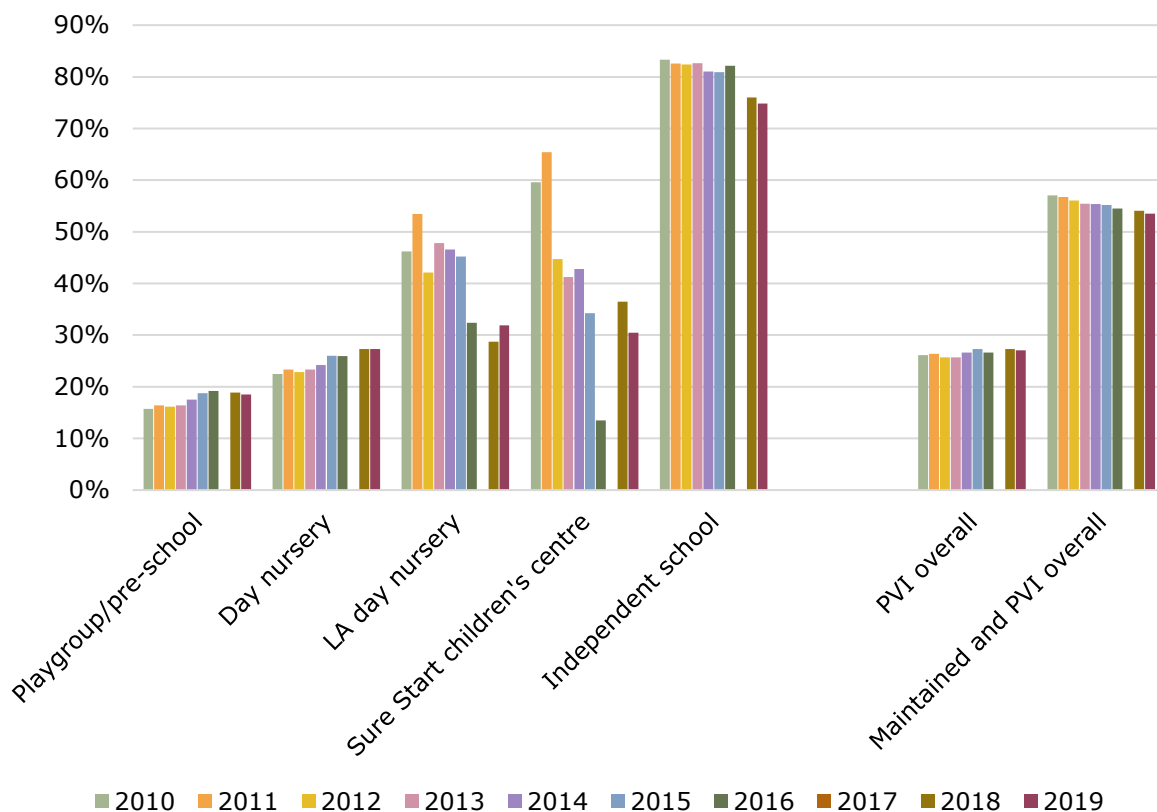


Source: Authors’ analysis of the National Pupil Database (NPD).

Notes: 1. No questions on qualifications were included in the January 2017 Early Years Census, on which the NPD is based. 2. In 2018 and 2019 the question asked was different: instead of asking whether a graduate worked directly with three- and four-year-olds (as in 2010-16) it asked whether a graduate worked directly with children under five. 3. Not all categories are shown; childminders, Sure Start linked providers, and ‘other’ have been excluded for clarity. 4. Includes all three- and four-year-olds in funded early education excluding those in reception classes.

However, the story is rather different if we focus on qualified teachers only, as shown in Figure 21. The route to QTS is more demanding than the route to EYP or EYT and there are higher entry barriers. Qualified teachers also command higher pay and status, and there is stronger evidence that they have a positive impact on child development (Sylva, 2010; Blanden, Hansen and McNally, 2017; Bonetti and Blanden, 2020). Figure 21 shows that there has been much less progress in increasing the prevalence of qualified teachers in the sector than the prevalence of all graduates. The drops in numbers of QTS in Sure Start settings and local authority day nurseries are much sharper than in Figure 20 and the increases for pre-schools and other day nurseries are much smaller. Taking all PVI settings together, the share of children with access to a qualified teacher has stayed steady at around 27%. But combining the PVI with the maintained sector, we find the share of children attending nurseries with a teacher has fallen.

Figure 21 Percentage of funded 3- and 4-year olds attending settings where a Qualified Teacher (QTS) works directly with the children, by category of provider



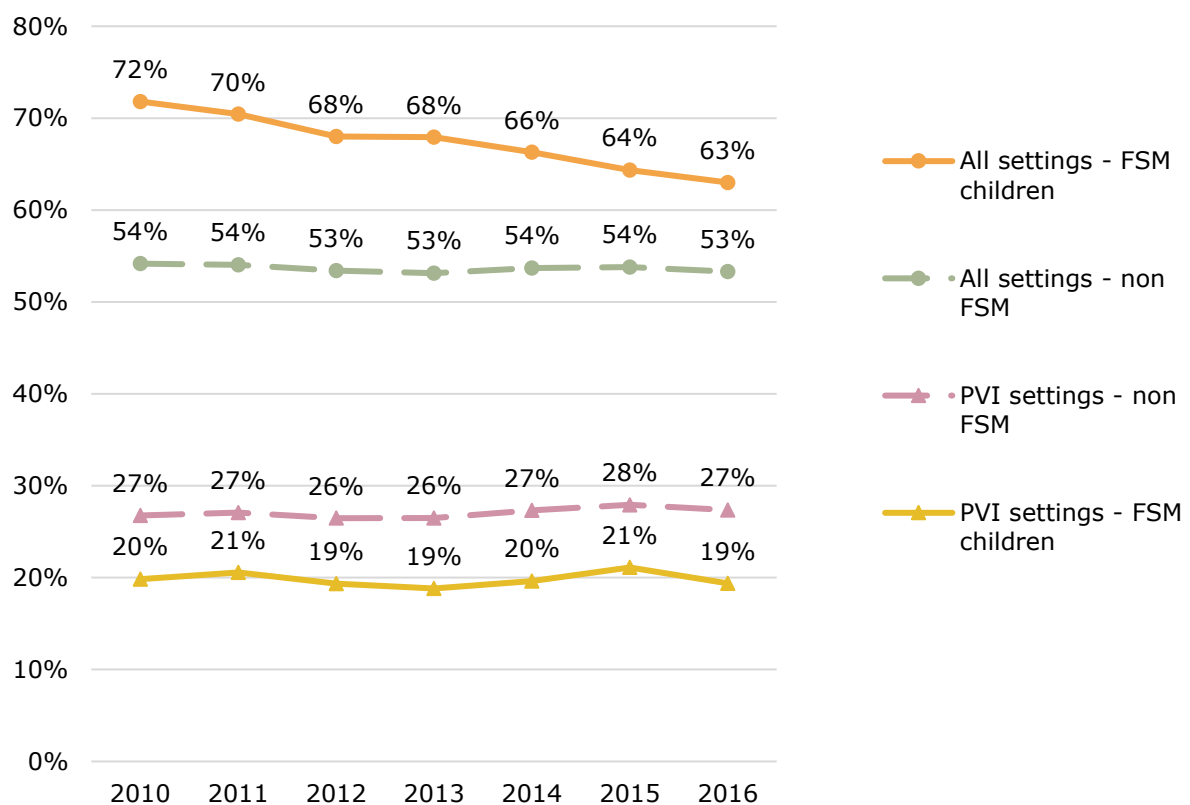
Source: Authors' analysis of the National Pupil Database (NPD).

Notes: As in Figure 20.

Finally, we examine whether trends have been different for poorer children, those who will go on to register for free school meals in reception. Figure 22 shows these trends for 2010-2016, which is as far as we can go with currently available data. The dashed lines show children not registered for

FSM: for these children there has been little change in exposure to qualified teaching staff, either for those in PVI settings or overall. In contrast, children accessing free school meals have seen quite a significant drop in exposure to qualified teachers: in 2010, 72% of this group had access to a QTS; five years later the share is only 63%. This reflects movement away from the maintained sector to private nurseries, as shown earlier, alongside no progress in PVI settings. Indeed, the share of FSM children attending the PVI sector with access to a QTS fell slightly from 20% in 2010 to 19% in 2016. Figure 22 also illustrates inequality within the PVI sector: children who go on to access free school meals are considerably less likely to have a QTS in their PVI setting than their higher income peers, and this gap has in fact widened very slightly over time. This underlines why movement of low-income children away from the maintained sector, where every class is led by a qualified teacher, is of such concern.

Figure 22 Percentage of funded 3- and 4-year olds attending settings where a Qualified Teacher (QTS) works directly with the children, by free school meal (FSM) status in reception



Source: Authors' analysis of the NPD.

Note: Includes all funded three-year-olds and four-year-olds not yet in reception class.

The Early Years Pupil Premium (EYPP)

An assessment of quality in early education during this period should also consider the Early Years Pupil Premium, introduced in 2015. Intended specifically to raise quality for disadvantaged three- and four-year-olds (low income, looked after children and children with special educational needs and disabilities) the EYPP provides an additional 53 pence per hour for each eligible child up to a maximum 15 hours per week, adding somewhere upwards of 10% additional funding for these hours (DfE, 2016a).¹⁷

Research suggests that school-based providers have been more likely than group-based providers to apply for EYPP funding, likely due to their concentration in deprived areas (McGinival et al, 2017). Research on how the EYPP is spent by providers suggests that it is targeted at eligible children (Roberts et al, 2017; McGinival et al, 2017). As part of the Study of Early Education and Development (SEED), Roberts et al (2017) found that the EYPP was mostly spent on speech, language and communication needs, and encouraging play and learning in the outdoors. Meanwhile, McGinival et al (2017)'s representative survey and depth interviews identified differences in how the EYPP was spent by group-based and school-based providers. Group-based providers were more likely to spend their EYPP funding on literacy and numeracy resources such as books, while school-based nursery providers were more likely to use it to help existing staff provide targeted support to eligible children. A DfE-funded evaluation conducted in 2015-16 suggested that EYPP funding did make a difference to children's outcomes (Early Education, 2016). However, it also identified issues in identifying eligible children and the application process.

These issues have been corroborated elsewhere. Providers have reported a lack of clarity about the criteria used by local authorities for EYPP funding (Roberts et al, 2017). Since the responsibility for application rests with parents, some providers experienced parents who were not able or willing to complete the application, due to literacy or language barriers, lack of motivation or stigma associated with means-tested benefits (Roberts et al, 2017). Consequently, some providers resorted to collecting information on behalf of parents and applying for the EYPP on their behalf (Roberts et al, 2017). Some children who were eligible for the disadvantaged two-year-old entitlement were found not to be eligible for the EYPP, causing confusion to some providers (Roberts et al, 2017). Providers also reported being unable to accurately plan ahead based on the EYPP, since the funding stream fluctuates throughout the year and is often not paid at the beginning of the term, though 65 percent of providers would prefer for this to be the case (Roberts et al, 2017; McGinival et al, 2017, p. 33). While 50% of

¹⁷ The average hourly funding rate was £4.88 per hour when the EYPP was first introduced. Table 1 shows how spending on the EYPP compares to spending on early education more generally, and how this has changed over time.

group-based and 59% of school-based providers agreed that they would not be able to do as much without the EYPP, 58% of group-based and 80% of school-based providers strongly agreed that the EYPP alone is not sufficient to fund the support they offer to disadvantaged children (McGinigal et al, 2017). Referring specifically to the role of the EYPP for looked after children, Williams-Brown (2020) concludes that the EYPP has been hamstrung by a lack of clarity about its purpose: on the one hand, the EYPP was portrayed as being a child-focused, supplementary boost for children 'of all abilities'; yet on the other it was pitched with the aim of closing the attainment gap and redressing developmental delay among disadvantaged and looked after children (Williams-Brown, 2020). If the former goal is the real priority, she concludes that Ofsted should relax accountability measures around what providers spend the EYPP on; if the latter is the priority, then EYPP funding needs to be increased in line with the school-age Pupil Premium. This echoes the concerns of Mathers et al (2016, pp. 48-49) about whether the EYPP can reasonably be expected to close the gap for disadvantaged children given its low funding rates relative to the Pupil Premium. While the Pupil Premium allocates £1,320 for disadvantaged primary school pupils in reception year, the EYPP allocates a maximum of £302 for pupils in the previous year. As the amount has been fixed in cash terms since its introduction, it is also falling in real value each year (see Table 1 in the section on Spending).

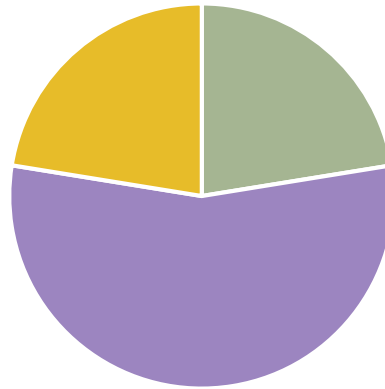
Early childhood education and care: affordability

While there was very little policy aimed at improving the quality of early education and childcare in this period, there was a much stronger focus on improving affordability. The flagship 30 hours free childcare policy undoubtedly made a positive difference to the affordability of provision for parents of three- and four-year-olds, even when considering evidence of the introduction of additional charges for lunches and other extras. A survey of parents as part of the evaluation of the first year of the national roll-out found 56% of providers were making additional charges as part of 30 hours provision, with a mean weekly value of £24, although only 22% of parents reported that the charges were compulsory (a practice that is in theory illegal) (Paull and La Valle, 2018). Even if all parents were paying £24 a week, this would be a big drop from the average £73 cost of 15 hours nursery provision for two-year-olds in England in 2018.¹⁸ In practice, the parent survey suggests that the impact on family finances was real and welcome, but not transformative. Figure 23 shows that more than half of parents reported that they had slightly more money to spend as a result of the policy, with a further quarter saying they had much more money (Paull and La Valle, 2018). The evaluation cites one parent who says: "Money

¹⁸ This is an estimate based on scaling down the reported average rate of £121 for 25 hours provision for two-year-olds in England in 2018 in Harding and Cottell (2018).

feels less of a struggle now... and I can afford to buy shoes and clothes, without having to ask my mum to help out" (p.28).

Figure 23 Parent responses on the impact of the 30 hours policy on family finances



- had much more money to spend as a result of the policy
- had slightly more money to spend
- no real difference

Source: Paull and La Valle (2018).

Note: Data comes from a survey of 3,004 parents registered for 30 hours free childcare in 12 local authorities.

For younger children (and 'wrap around' provision for school-age children outside of school hours), there were two main policies in this period, both inherited from the Coalition: childcare support within Universal Credit (for lower earners) and tax-free childcare (for middle and higher earners, as long as no parent earns more than £100,000). Childcare support through Universal Credit is more generous than what is currently available through tax credits, reimbursing up to 85% rather than 70% of costs, but no data are yet available to show the impact in practice. By November 2019, 59,161 families were receiving childcare support through UC, compared to 229,000 families still receiving childcare support through Working Tax Credit (HMRC, 2020).

The tax-free childcare policy was rolled out in 2017, but the launch was marred by technical malfunctions with the website and the failure of 22,000 payments to be passed onto childcare providers in 2018 (BBC, 2019). Take-up has failed to take off since. HMRC estimated that 1.3 million families in the UK would be eligible for tax-free childcare (IFF Research, 2019). Yet in 2018-19, just 449,400 families in the UK had a used tax-free childcare account, representing an estimated take-up rate of just 35% (see Table 3).

Table 3 Estimated take-up of tax-free childcare in the UK

	2017-18	2018-19
Families with a used TFC account	272,300	449,400
Eligible families	1,300,000	1,300,000
UK take-up rate	21%	35%

Sources: Authors' calculations using number of eligible families in the UK from various sources including BBC (2019) and number of families with a used TFC account from HMRC (2019a).

Notes: 1. Assumes that the number of eligible families in the UK is consistent across years. 2. It is not possible to calculate an accurate take-up rate for England with this data, since an accurate estimate of the number of eligible families in England is not available.

One of the key advantages of tax-free childcare over the employer childcare vouchers it replaces is that it is available for self-employed families. Approximately 15% of families using tax-free childcare are self-employed, roughly proportionate to their population share (HMRC, 2019a). Comparing the share of users of tax-free childcare with the share of the under-17 population by region suggests that most regions have a roughly proportionate number of families using the scheme, but London is somewhat underrepresented. Statistics also show that tax-free childcare usage decreases with the age of the child: so far families with one- and two-year-olds are the greatest users of the scheme (HMRC, 2019a).

HMRC-commissioned qualitative research by Ipsos Mori based on sixty in-depth interviews with parents in 2018-19 suggests that families who do claim tax-free childcare tend to have a positive experience overall (Fullick et al, 2020). But parents were unimpressed with the government's promotion of the scheme: some found out about tax-free childcare when applying for funded hours and were frustrated that they had not known about tax-free childcare before. Where parents had experience of both employer vouchers and tax-free childcare, they felt that tax-free childcare was better because it was simpler, more flexible, and easier to control. Both parents can pay into the tax-free childcare account, meaning that parents can use it like a joint bank account, adjusting the amount they pay into it each month flexibly. While some parents said that the website was unintuitive at first, they also felt that it was easier to understand and use than a salary sacrifice scheme implemented by an HR department. Of those parents who had calculated the merits of moving from employer vouchers to tax-free childcare, they felt they were better off under tax-free childcare. While the sample in this study was by definition parents who had experience of tax-free childcare and may therefore be skewed to highlight the benefits of the scheme, these findings do suggest that the parents who use tax-free childcare have positive experiences. However, a high number of families have continued to claim employer vouchers instead of tax-free childcare, suggesting either that they are insufficiently aware of the merits of the scheme or that they have concluded they would be worse off under it.

Cash benefits: adequacy of the safety net for out-of-work families with children

We now turn to consider changes to the system of cash benefits. We focus mainly on the value of financial support available to families with no adult in work. It is in the *value of support* that most of the changes to benefits between 2015 and 2020 took place. In contrast, the Coalition period between 2010 and 2015 saw considerable changes to *eligibility* for benefits, with tighter targeting of tax credits and the introduction of a high-income charge on Child Benefit (see Stewart and Obolenskaya, 2015). There was also a big change in *administration* after 2015 with the move to Universal Credit (UC). UC became available to households with children from May 2018 and was the only option for new claims from February 2019 (with the exception of households claiming severe disability benefits). As of April 2019, tax credits remained far more common – 61,000 families with children were claiming UC compared to 787,000 on CTC (HMRC, 2019c) – although these numbers will be changing rapidly, especially in light of the sharp increase in benefit claims linked to the COVID19 crisis. There is more discussion of Universal Credit in the companion paper in this series on social security by Kerris Cooper and John Hills (2020).

Some very small changes in benefit take-up are worth noting before we look at the value of support packages. Take-up of Child Benefit fell slightly between 2014-15 and 2017-18 (the latest available year), from 95-96% to 92-94% (HMRC, 2019b). Take-up of Child Tax Credit also fell a little, from 86% to 84% on caseload and 92% to 91% on expenditure, but these drops are not statistically significant.

In terms of the generosity of benefits, this period saw very significant shifts. Figure 24, based on calculations by Cooper and Hills (2020), shows the value of the minimum safety net as a share of the poverty line for a variety of households not in paid work from 1997-98 through to 2019-20, using a poverty threshold of 60% of equivalised median income after housing costs. One of the family types shown, the couple with three children including a baby, is affected by the two-child limit when it comes into effect in April 2017. The value of financial support for this household type falls from 88% of the poverty line in 2013-14 to 67% in 2017-18. Because the two-child limit only applies to children born on or after the introduction date in 2017 (a concession made by Amber Rudd as Secretary of State), all those affected by the policy in 2020 will, by definition, have a very young child in the household. Over time the policy's reach will extend to older children.

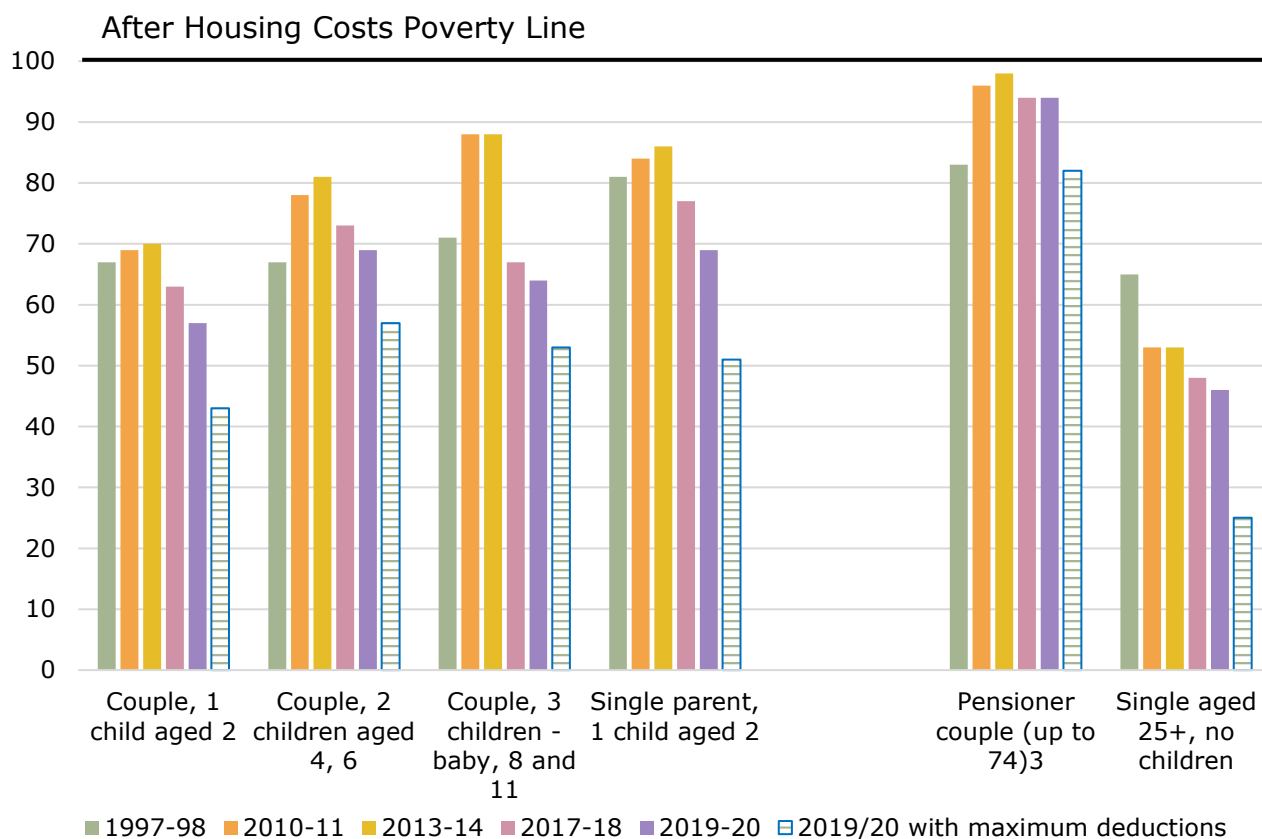
Because of the two-child limit, this family type experiences the greatest fall in the value of support of those shown in the figure, but all the family types with children see a deterioration in the real value of support between 2013-14 and 2019-20. The main driver is the cash freeze on most working-age benefits, in operation from 2015-16 to 2019-20 (following two years in which benefits rose by only 1%, rather than in line with inflation). In addition, the two family types that have only one child aged two are worse

off in 2019-20 than earlier equivalents because of the loss of the family element of Child Tax Credit, no longer available to families having a first child after the start of April 2017. While what we show here is the package available for families not in paid work, both the two-child limit and the loss of the family element will also affect those in low-paid work.

In contrast to support for households with children, the minimum income level for pensioners has held up fairly well, as the Pension Credit Guarantee is required to increase at least in line with earnings. The real value of benefits for working-age families without children, however, has continued to fall, and these households face the greatest shortfall from the poverty line.

As Cooper and Hills (2020) expound, the formal minimum income offered by the social security system is no longer a genuine minimum in the way that it used to be, so the solid bars for 2019-20 really represent a *maximum* minimum income for each family. Many families face deductions that mean the amount received in practice in a given month will fall short of this level. The striped final bar in each group in Figure 24 shows household disposable income in 2019-20 as a share of the poverty line after three common deductions, reflecting recent changes in the operation of the social security system (see Cooper and Hills, 2020, for further details and discussion). Families are assumed to need to cover part of their rent (as Housing Benefit allowances have increasingly fallen behind private rents), part of their Council Tax (as Council Tax Support in most authorities no longer covers the full tax), and to have taken out and be repaying an advance payment during the five-week wait for Universal Credit. For households affected by all these circumstances, the level of disposable income drops sharply, to as low as 43% of the poverty line for the couple with one small child, and to 51% for the lone parent.

Figure 24 Minimum income levels for families not in paid work as a percentage of poverty thresholds by family type, 1997-98 to 2019-20, after allowing for housing costs



Source: Cooper and Hills (2020) Table 1.

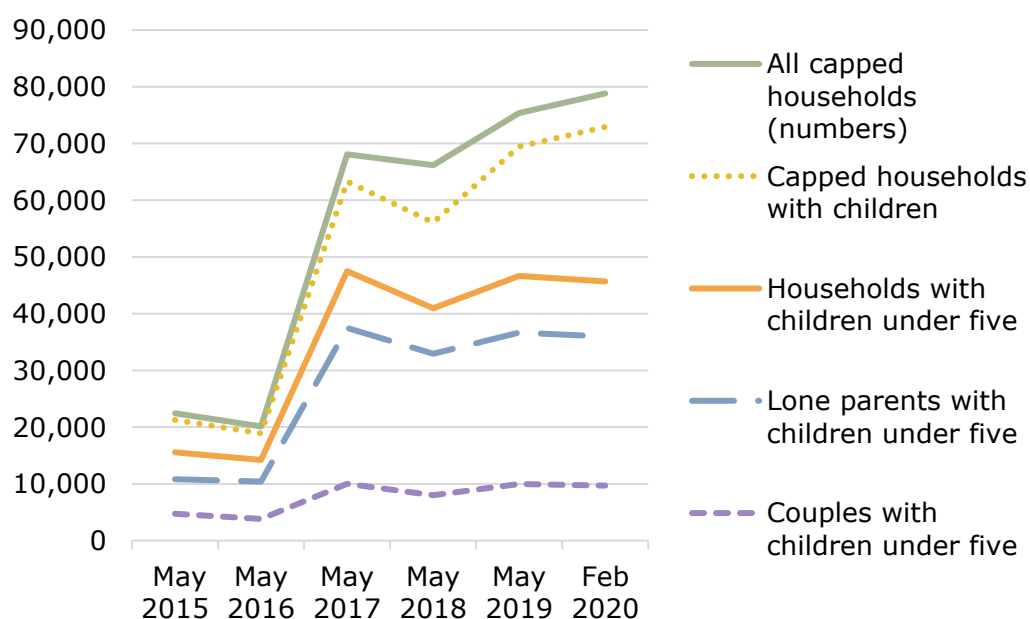
Notes:

1. 2019-20 estimated using Resolution Foundation estimates of income growth and inflation from 2017-18 to 2019-20.
2. Family benefits include 'baby tax credit' in 2010-11; subject to two child limit in 2017-18 and 2019-20.
3. Pensioner benefits include weekly equivalent for Winter Fuel Payments from 2010-11.
4. Three deductions are included in the final bars: (i) it is assumed that Council Tax Support only covers 80% of average level in England; properties are assumed to be Band A (single, with single person discount), Band B (couple and couple with one child) or Band C (couple with 2 or 3 children). (ii) a Universal Credit advance of 70% of the main entitlement (excluding rent payment) that is repaid over one year; (iii) monthly Housing Benefit shortfall (at 2017-18 levels) of £111 for single without children, £150 for pensioner couple, £103 for lone parent, and £115 for couples with children. Single person is assumed to be over 35 for the Housing Benefit calculation.

There is one further and important reason why benefits received may fall short of the amount to which a family is otherwise formally entitled – the operation of the benefit cap. This restricts total benefit payments (including support for rent) to a maximum amount for households with no member in paid work and is applied through Housing Benefit or Universal Credit. The cap was first introduced in 2013 but was lowered by £3,000 a year in April 2017 to £20,000 (or £23,000) in London, resulting in many more families

being affected, as shown in Figure 25. The figure also shows that most capped households had children (91% in February 2020), and a substantial share (58% in 2020) had children under five. Lone parents with children under five made up nearly half of all those capped in 2020.

Figure 25 Households experiencing the benefit cap (point in time caseload)



Source: DWP (2020) Benefit Cap Statistics

The numbers affected by the benefit cap are small in relation to the total number of claimants. In 2017-18 some 1.9 million lone parent families were claiming tax credits, so the 43,000 lone parent households with children facing a benefit cap is just over 2% of the total (HMRC, 2019). But for capped households the impact is potentially very severe. The average amount by which households are capped was £51 a week in February 2020 (DWP, 2020). For a couple with three children, that is around 11% of the poverty line, and for a lone parent with three children around 15%. These are substantial hits, especially given minimum income levels before capping or other deductions already well short of the poverty line, as shown in Figure 24.

Maternal employment

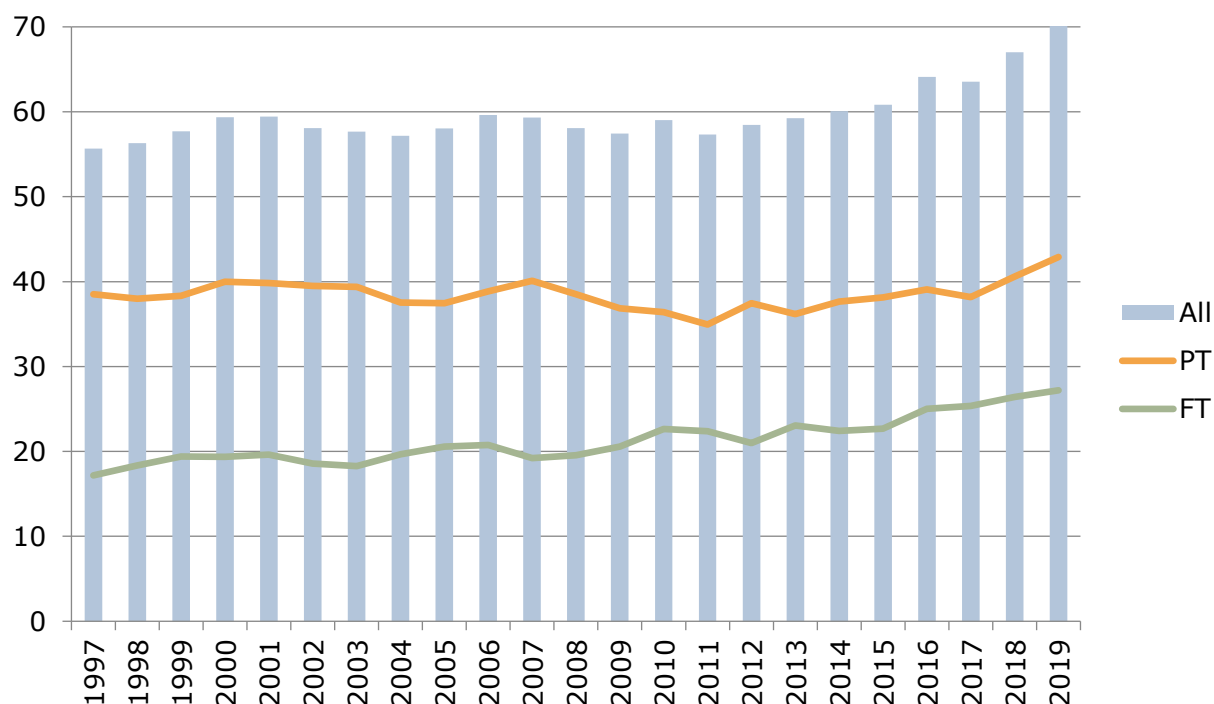
While we primarily focus on early years education and childcare within the context of early childhood development in this paper, childcare also plays a key role in facilitating maternal employment and promoting a more equal division of labour within households. Maternal employment patterns in turn affect children's experiences in a number of ways: most obviously through the implications for where the child spends his or her day and through the boost to income, but potentially also by modelling the possibilities open to

girls, and by changing the internal dynamics of the household. It is not within the scope of this paper to evaluate whether an increased rate of maternal employment should be seen as a positive or negative development for pre-school children, but we present recent trends and ask how far they are likely to reflect changes to policy.

In its policy approach, the Conservative administration continued a shift that was already in motion, away from an assumption that parents of young children should have the option of remaining at home to look after them – a position traditionally associated with core Conservative values. The capping of benefits for lone parents with young children and not in paid work, discussed in the previous section, is the most extreme example of this shift. As set out earlier in the paper, the Coalition allowed lone parents to claim out-of-work benefits without actively seeking work until their youngest child was five (this had been reduced from age seven in 2010), although parents of three- and four-year-olds needed to take active steps to prepare for work and attend work-focused interviews. From April 2017, the Conservative government intensified this by requiring lone parents of three- and four-year-olds (and second earners in couples) to be available for and actively seeking work, parents of two-year-olds to take active steps to prepare for work, and parents of one-year-olds to attend work-focused interviews. The 30 hours free childcare policy supported the new rules, as in principle it meant the cost of childcare was no longer a barrier to work for parents of three- to four-year-olds.

The conditionality rules of Universal Credit also turned the dial in relation to the number of hours of expected work, though this has not affected parents of under fives. Under tax credit rules, work requirements for main carers (lone parents and second earners) were for part-time work, 16 hours per week. Under Universal Credit, main carers of three- to four-year-olds are still expected to work 16 hours per week, while the requirement has risen to 25 hours for parents of 5-12 year olds and to 35 hours for parents of children aged 13 and up. Parents working fewer hours are subject to in-work conditionality: they are expected to spend the additional hours each week engaged in further job search activity (unless their earnings are equivalent to someone working at minimum wage for those hours).

Figure 26 Employment rates for women with a youngest child aged 3-4 years old



Sources: ONS statistics from the Labour Force Survey. 2017-19 from ONS (2019b) and earlier equivalents. Earlier years from ONS (2017).

Notes: 1997-2017 are reported as annual figures. 2017-19 reported as figures for April to June. 2017 is available in both sources and is consistent.

Figure 26 shows the rate of maternal employment in households in which the youngest child is 3-4 years old. Between 2015 and 2019 the share rose from 61% to 70%. It is a striking increase, continuing an upward trend that began in 2011 but with a particularly sharp rise (of 10 percent) since 2017, especially in the share of mothers in part-time work. Prior to 2011 the rate had fluctuated just below 60%, though there had been gradual movement towards full-time rather than part-time work. Among parents of 0-2 year olds, the data for 2017-19 (not shown) shows no such rise, fluctuating at 63-65% (ONS, 2019b).¹⁹ This suggests that the 30 hours free childcare policy, and/or the increased work requirement for those receiving benefits, both which took effect in 2017, are having an impact.

Table 4 shows that the rise in maternal employment since 2017 has taken place among both lone mothers and mothers in a couple, but it has been more pronounced for the former group – up by 15 percent for lone mothers compared to 10 percent for mothers in couples. For lone mothers with a youngest child aged 0-2, as with mothers more generally, employment rates were more volatile over this period, while for mothers in a couple whose youngest child is 0-2, employment rates actually decreased slightly from 2017 to 2019 (ONS, 2019b). These patterns suggest that both the 30

¹⁹ No data showing maternal employment for 0-2 year olds appear to be available from the ONS prior to 2017.

hours childcare policy (affecting parents of three- to four-year-olds) and the increased conditionality (affecting lone parents of children in this age group) have played a role in increasing rates of employment. Paull and de Valle's (2018) survey of parents registered for the 30 hours policy also indicates that the policy has had a positive impact on parental employment, with larger effects among lower income households, and much larger effects for mothers than fathers.

Table 4 Maternal employment of lone mothers and mothers in a couple by age of youngest child, 2017 to 2019

Age of youngest child	Lone mothers		Mothers in a couple	
	0-2 yrs	3-4 yrs	0-2 yrs	3-4 yrs
2017	48.4	50.9	69.3	68.1
2018	44.6	56	68.8	72.2
2019	50.1	58.4	69.1	75.1
% point change	1.7	7.5	-0.2	7.0
% change	3.5%	14.7%	-0.3%	10.3%

Summary

This section has explored a wide range of ways in which the lives of young children and their families have been affected (or not) by policies over this period.

On the one hand, one third of three- and four-year-olds now enjoy a longer funded day in ECEC (30 free hours per week rather than 15 hours). For some children this will have brought no change in day-to-day experience, but meant an increase in childcare affordability for families, while other children will be spending longer in group care, facilitating parental employment. Parents report positive impacts on family finances as a result of the policy, and there have also been notable increases in maternal employment among mothers of three- and four-year-olds, with some evidence that lower income mothers have been most affected. Tougher conditionality attached to benefits is also likely to have played a role. The tax-free childcare scheme has had positive reviews from those who have used it, although take-up remains relatively low at around 35%.

On the other hand, there has been no progress in encouraging mothers and fathers to share care more evenly: the share of fathers taking paternity leave in the two weeks after birth has fallen slightly to 31%, while only 2% of households take up the option of shared parental leave, which allows fathers to take some of the leave time in the first year traditionally allocated to mothers. The squeeze on Sure Start children's centres has meant fewer children accessing services, with further cuts and reorganisation expected in many centres. And while some children are accessing longer funded hours in early education, there have been falls in the share of children accessing a place at all: since 2015 enrolment has dropped from 97% to

94% of four-year-olds and from 94% to 91% of three-year-olds. The share of eligible two-year-olds attending has also dropped slightly from a 2018 peak of 72%.

There are also some worrying trends in the quality of ECEC provision enjoyed by lower income children. Ofsted ratings show growing shares of ECEC provision classified as both good and outstanding to 2017, though there have been small drops since then. But children accessing the 30 hours policy are a little more likely to access the best provision than children eligible only for 15 hours, indicating some inequality in provision. More strikingly, there have been substantial shifts in the type of provision children attend, with implications for quality. Children who will go on to receive free school meals in reception appear steadily less likely to attend early education in the maintained sector and more likely to attend private day nurseries instead. While there have been increases in the numbers of qualified graduates in PVI settings, there has been less progress in relation to qualified teachers (QTS), and average qualification levels remain far below the maintained sector. In 2019 just 27% of children attending day nurseries had any access to qualified teachers, whereas all maintained nursery classes are led by teachers. The result of changing patterns of enrolment is that by 2016 63% of FSM children attended a setting with a qualified teacher, compared to 72% in 2010. While this remains higher than the 53-54% of non-FSM children with access to QTS (the effect of the concentration of maintained nurseries in inner city areas), the gap is narrowing. Additional funding targeted at disadvantaged children through the Early Years Pupil Premium is reported by ECEC settings to be useful, but it is small in value and has not been uprated over time, and is far from capable of making the difference that a qualified teacher could make.

Finally, the value of financial support for families has fallen sharply, both because of a cash freeze on most working-age benefits and, for some family types, due to specific policies such as the two-child limit. We have illustrated this by focusing on out-of-work households, although low paid working households will also be affected. For a couple with three children including a baby, the value of financial support if neither parent is working fell from 88% of the poverty line in 2013-14 to 64% in 2019-20. This is before potential further reductions as a result of housing benefit shortfalls or the need to pay back Universal Credit advance payments. The imposition of the benefit cap has had an additional and severe impact on a small (but growing) share of families.

8. Outcomes

In this final section we examine indicators of three aspects of children's well-being and development. We look at socio-economic well-being (child poverty rates); cognitive and social development (the Early Years Foundation Stage Profile); and early child health (low birthweight, infant mortality and obesity in early childhood).

Child poverty

The rate of child poverty is a key outcome indicator both because of what it tells us about children's living standards and quality of life in the short term, and because we know that growing up in a very low-income household can have damaging effects on many aspects of child development in the long term (Cooper and Stewart, 2013). A commitment to reducing child poverty was repeated in all three Conservative manifestos, although the 2016 Welfare Reform and Work Act renamed the Child Poverty Act 2010 as the Life Chances Act and replaced all four of the original child poverty indicators with measures of worklessness and educational attainment at age 16. Here we present two of the four original indicators – relative child poverty (measured against a threshold of 60% of median income) and a fixed income poverty measure (measured against a threshold of 60% of the median in 2010-11).

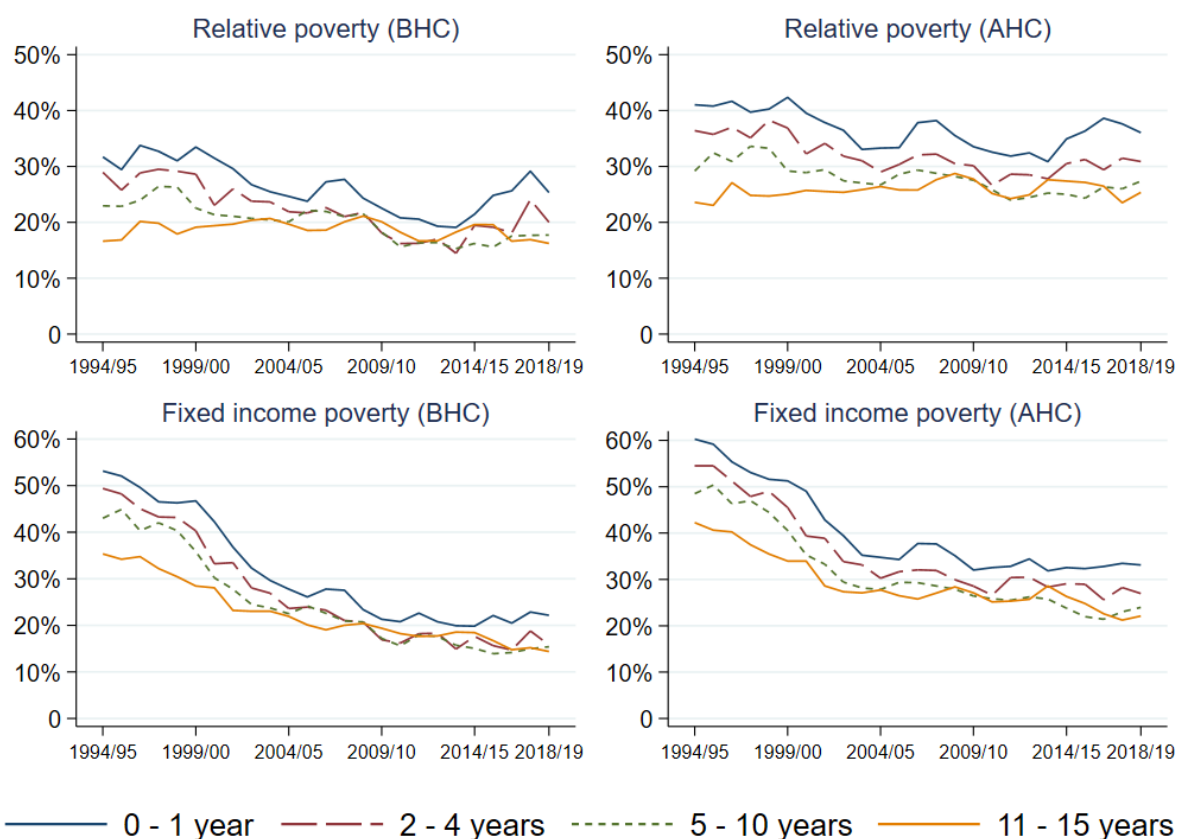
The top two panels of Figure 27 show relative child poverty rates by the age of the youngest child in the household. Since 2013-14, children in households with a child under five have seen sharp increases in poverty on this measure, particularly if they live with a baby or toddler aged 0-1. This is true looking at income both before and after housing costs.²⁰ Where only slightly older children are present the trend is different – there has been a much smaller increase since 2013-14 where the youngest is 5-10 years old, and a *fall* where the youngest is 11-15. The overall rate of child poverty has risen in the five years to 2018-19, from 17% to 20% BHC and 28% to 30% AHC, and this rise is driven by what is happening to incomes in households with young children. (Recent trends in child poverty are covered in more detail in a companion paper by Polly Vizard and colleagues, 2020.)

Both the fall and the subsequent rise in poverty in households with a young child are largely driven by trends for households where no adult is in paid work, but poverty has also risen since 2012-13 in working households,

²⁰ Figure 27 separates children in households with a 0-1 year old from those with a youngest child aged 2-4. Grouping all children in households with a child under five, the share below the Before Housing Costs poverty line fell from 32% in 1999-00 to 18% in 2013-14, rising to 24% in 2018-19. Against an After Housing Costs line, poverty fell from 40% in 1999-00 to 30% in 2010-11, and rose from 30% to 34% between 2013-14 and 2018-19.

particularly in households where parents work part-time or where one works full-time and one part-time or not at all.²¹

Figure 27 Percentage of children living in households below the poverty line, by age of the youngest child in the household



Source: Authors' analysis of HBAI.

Relative poverty measures tell us how many families are falling behind median incomes as average living standards rise. Until the COVID19 crisis, UK median incomes had been rising slowly but steadily since 2012-13, with a small blip from 2016-17 to 2017-18. The bottom two panels of Figure 27 show poverty against a fixed income threshold, which lets us see whether incomes in low-income households are growing in real terms year on year, even if not at the same rate as earnings. We can see that poverty measured in this way has continued to fall in households where the youngest child is five or older, albeit more slowly since 2009-10 than in the decade before that. But households with a 2-4 year old have seen very little progress against this indicator, while in households with a baby or toddler the rates have stagnated or risen slightly.

²¹ Authors' analysis of HBAI data. Measured AHC, poverty in mixed work intensity households rose from 13% to 20% BHC and from 23% to 29% BHC between 2012-13 and 2018-19. Poverty also increased slightly in households where all adults work full-time, though remained very low, rising from 3% to 5% BHC and 5% to 7% AHC. In households with no-one in paid work the increase in the same period was 39% to 55% BHC and 71% TO 78% AHC.

Cognitive and social development

The most readily available measure of children's cognitive and social development is the Early Years Foundation Stage Profile (EYFSP), measured using teacher assessment at age five (the end of reception year). In Figure 28 we present trends in the share of children assessed by their teachers as reaching a 'Good Level of Development' (GLD), though we do so with some caution. Earlier discussion in this paper has highlighted a shift in government focus towards a greater focus on school readiness, and on early literacy in particular. Some of this shift is already captured in the EYFSP, which was revised in 2012 to (among other things) give a stronger weight to literacy and numeracy; further revisions, aimed at aligning goals more closely with Year 1 content, have been piloted and will be rolled out in 2021. The change in expectations after 2012 is clearly marked in the figure as a break in series.

But the concern about attaching too much weight to the EYFSP is not only about an inconsistent series, nor even about a risk that the results in part reflect teachers gradually getting the measure of how to 'teach to the test'. It is also a concern that we reduce the wide range of skills and capabilities children need in order to be ready for learning and life to those captured in the assessments. Palmer (2016) provides a strong critique of this approach, pointing to the much later start to formal schooling in many other countries that do better in later international assessments of educational attainment. Her core argument is that it is by fostering confidence, resilience, enquiry and communication that early years provision can enhance child development for the long-term, rather than through an early introduction to letters and numbers – and that this is especially true for children who face more difficult circumstances and less support and attention at home.

Nonetheless, the EYFSP does give us an available measure that in principle captures aspects of social and behavioural as well as cognitive development.²² If we consider reducing inequality in EYFSP results one of the government's goals – and particularly for Theresa May's administration, with its focus on social mobility, this seems applicable – the evidence in Figure 28 is that the government strategy does not seem to be succeeding. Comparing children who are eligible for free school meals with children who are not, the figure shows the gap had been closing in almost all years to 2017, but since then has started to widen again (see also Hutchinson, Reader and Akhal, 2020).

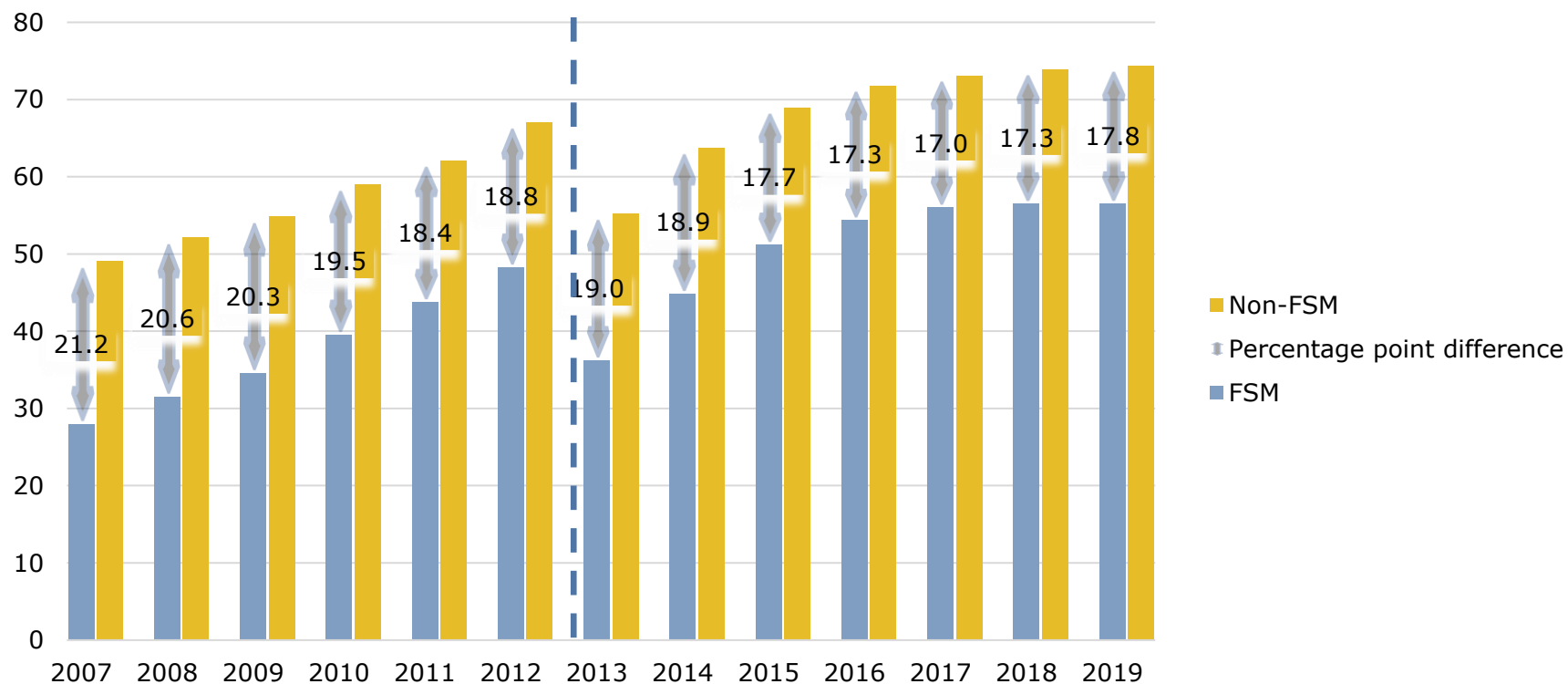
Furthermore, May's launch of the Opportunity Areas in 2016 does not appear to have led to consistent improvements in the EYFSP gap in these areas. When looking at how much progress the opportunity areas have made in closing the early years disadvantage gap since 2016, it is difficult

²² There are seven 'areas of learning and development' in the EYFS, and one is 'personal, social and emotional development'. In practice the scores on the different scales are strongly correlated with each other (Stewart et al, 2019).

to draw any clear conclusions. While the gap improved in eight OAs, it also worsened in four (Hutchinson, Reader and Akhal, 2020). West Somerset saw the largest improvement as the gap narrowed by 3.0 months, but it increased by 1.3 months in Blackpool (ibid).

The stronger focus on the importance of early literacy in early education saw the introduction of a Phonics Screening Check in Year 1 in 2011, which sets children a series of both real and 'nonsense' words to read. Children who do not pass in Year 1 must repeat the test in Year 2. Phonics is heavily contested both as a learning approach and a developmental target: while positive effects of a stronger focus on phonics have been identified, there are concerns that it places additional and unnecessary burdens on children in learning to read and does not support reading for meaning and understanding (Machin et al, 2018; Wyse, 2010). Even more so than for the EYFSP, caution should therefore be used before drawing substantive conclusions about child development and learning from the test results. But as it has been an explicit focus and goal of Conservative administrations, we present it as part of the government's record on early education. The proportion of children who met the expected standard in phonics decoding in Year 1 increased year-on-year from 58% in 2012 to 82% in 2018, though in 2019 this decreased by 1 percentage point (DfE, 2019d). The gap in phonics attainment between children who are eligible for free school meals and those who are not stood at 14 percentage points in 2019, having narrowed from 17 percentage points in 2012 (DfE, 2019d). Overall, then, while there is a disadvantage gap in phonics it is not as large as in the EYFSP, and unlike the EYFSP it has not started to widen.

Figure 28 Proportion of children achieving a good level of development at the end of the Early Years Foundation Stage, by eligibility for free school meals, 2007-2019



Sources: [DfE \(2020b\)](#) Early Years Foundation Stage Profile (EYFSP) Results 2018-19 (and earlier versions)

Notes: 1. The dashed line between 2012 and 2013 represents a change in the Early Years Foundation Stage Profile (EYFSP) methodology. New methodology applies for the assessments carried out since 2013. 2. Children are defined as having reached a "good level of development" (GLD) at the end of the EYFSP if they achieve at least the expected level in the early learning goals in the prime areas of learning (personal, social and emotional development; physical development; and communication and language) and in the specific areas of mathematics and literacy.

Early child health

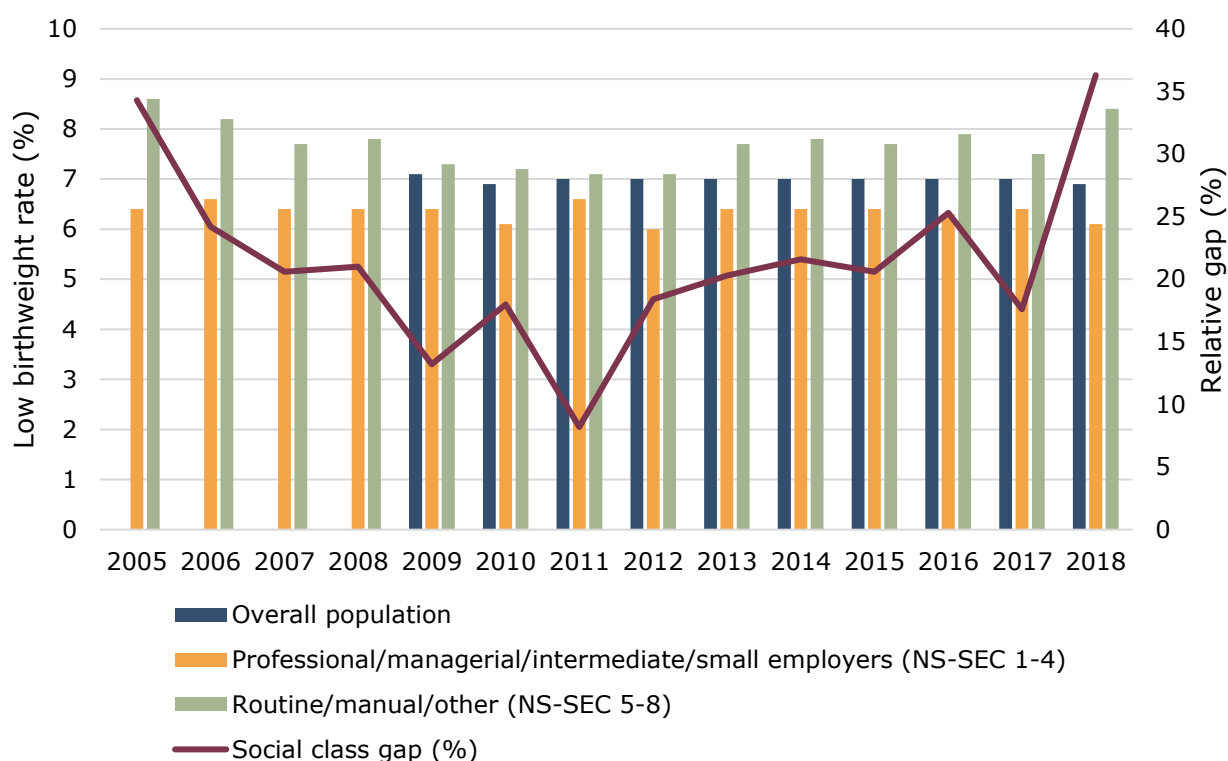
There has been little in the way of targeted health policies for the under-fives since 2015 (discussion on the Conservatives' health policies in general can be found in Vizard et al, 2020). The 2015 Conservative manifesto did, however, set out its intention of "giving your child the best start in life" in terms of health, albeit unaccompanied by specific policies.

Low birthweight

One of the most important health outcomes for the under-fives is birthweight. It has been widely acknowledged as an important determinant of a range of health, social and economic outcomes in childhood and adulthood. Since low birthweight is associated with lower educational attainment and achievement, it may play a causal role in social and economic stratification in childhood (Behrman & Rosenzweig, 2004; Black et al., 2007; Strully et al., 2010). While low birthweight can be a cause of social class stratification, it is also a consequence of it. Lack of resources and healthy nutrition, unhealthy behaviours (particularly maternal smoking) and financial stress may contribute towards higher low birthweight rates among lower socio-economic groups.

Figure 29 shows low birthweight rates by social class since 2005. Between 2005 and 2011 the birthweight gap narrowed significantly, as low birthweight rates reduced for lower social classes while rising slightly for higher social classes. After 2012 we see this pattern reverse: rates have risen for both groups, but more rapidly for the lower social classes, so the gap widens. By 2018 the rate of low birthweight for lower social classes is nearly back to where it was in 2005, and the gap is as wide as it was then. It is possible that 2018 is a particular outlier – 2017 data is more flattering, and the overall picture would look slightly different if 2017 were the last year of data. But as things stand, the table indicates a concerning reversal of social progress in the reduction of health inequalities and the promotion of child development and social mobility.

Figure 29 Low birthweight (<2500g) rates by social class in England and Wales, 2005-2018



Sources: 2005 to 2013: from Stewart and Obolenskaya (2016, SPCC book) and reported in ONS (2014) Figure 22.2. From 2014: ONS (2020a) Birth characteristics by parents' characteristics (and previous editions).

Notes: 1. In all years, combined occupational class is used, with the most advantaged of either parent's occupation being coded.

Infant mortality

Infant mortality is a second key health outcome that is strongly patterned by social class. Its importance is unnecessary to spell out. After years of steady reductions and an all-time low in 2014, the infant mortality rate for the population as a whole rose for three years running between 2014 and 2017 – the first time since the ONS series began in 1980 that it had risen for more than one year in a row (ONS, 2020b). It then fell back slightly, from 3.9 to 3.8 per 1000 live births, in 2018. As Table 5 shows, the rise was greater among lower social classes between 2014 and 2016, and gaps widened as a result, though have narrowed again since 2016, leaving a less clear social class pattern overall than for low birthweight. Comparing 2018 to 2015, social class gaps are slightly narrower at the end of the period, partly because the rate for higher social classes has risen. The increase has been particularly notable among low birthweight babies, whose infant mortality rates have increased year on year from 2014 to 2017 (ONS, 2020b).

Examining trends in infant mortality by local area deprivation, Taylor-Robinson et al (2019) also find a clear break in the trend and the reversal of falling inequalities. They show that infant mortality rates fell for all types of local authority areas from 2000-2013, but with greater falls in the most income-deprived areas, thereby reducing disparities. In contrast, from 2013, infant mortality increased in the two most income-deprived quintiles while continuing to fall in more affluent areas, leading to a widening gap to 2017.

In 2017, reacting to a cluster of neonatal baby deaths, the health secretary Jeremy Hunt announced the introduction of a Maternity Safety Strategy and his ambition to halve the rate of stillbirths and infant deaths by 2030. In 2018 NHS England and NHS Improvement published a joined-up approach to improve safety and outcomes, which covered hospital neonatal care but also included action to discourage smoking in pregnancy and to increase early detection of diabetes (NHS England, 2018). It is too early to assess the success of these initiatives. But Morris and Hargreaves (2018) point out that as the causes of relatively high infant mortality in the UK compared to other countries are linked to socioeconomic inequalities, this strategy alone is unlikely to be sufficient (see Zylbersztejn et al, 2018). They suggest a wider population health approach is needed which tackles pre-conception nutrition, obesity, smoking and mental and physical health. Taylor-Robinson et al (2019) reinforce this point. Comparing changes in regional child poverty in England between 2014 and 2017 to changes in infant mortality, they find that about one third of the increase in infant mortality in this period can be attributed to rising child poverty. Reducing inequalities in birth outcomes while rates of poverty are rising in families with young children is not impossible, but it poses significant challenges.

Table 5 Infant mortality rates (deaths per 1,000 live births), by social class in England and Wales, 2008-2018

	All	Professional/ managerial/ intermediate/ small employers (NS-SEC 1-4)	Routine/manual/ other (NS-SEC 5-8)	Gap in IMR rate between higher and lower socio-economic groups	
				Absolute	Relative (%)
2008	4.6	3.6	4.9	1.3	36.1
2009	4.5	3.7	4.8	1.1	29.7
2010	4.3	3.4	4.4	1.0	29.4
2011	4.2	3.4	4.9	1.5	44.7
2012	4.0	3.2	4.7	1.4	45.0
2013	3.8	3.1	4.6	1.5	48.5
2014	3.6	3.0	4.3	1.3	44.6
2015	3.7	2.9	4.5	1.6	54.6
2016	3.8	3.0	4.8	1.9	64.0
2017	3.9	3.2	4.7	1.6	49.3
2018	3.8	3.1	4.6	1.4	45.6

Sources: 2008-2010: Stewart and Obolenskaya (2016). From 2011: ONS (2020b) Child Mortality (death cohort) tables for England and Wales (and earlier editions). Figures for 2011 and 2012 are taken from the 2012 release.

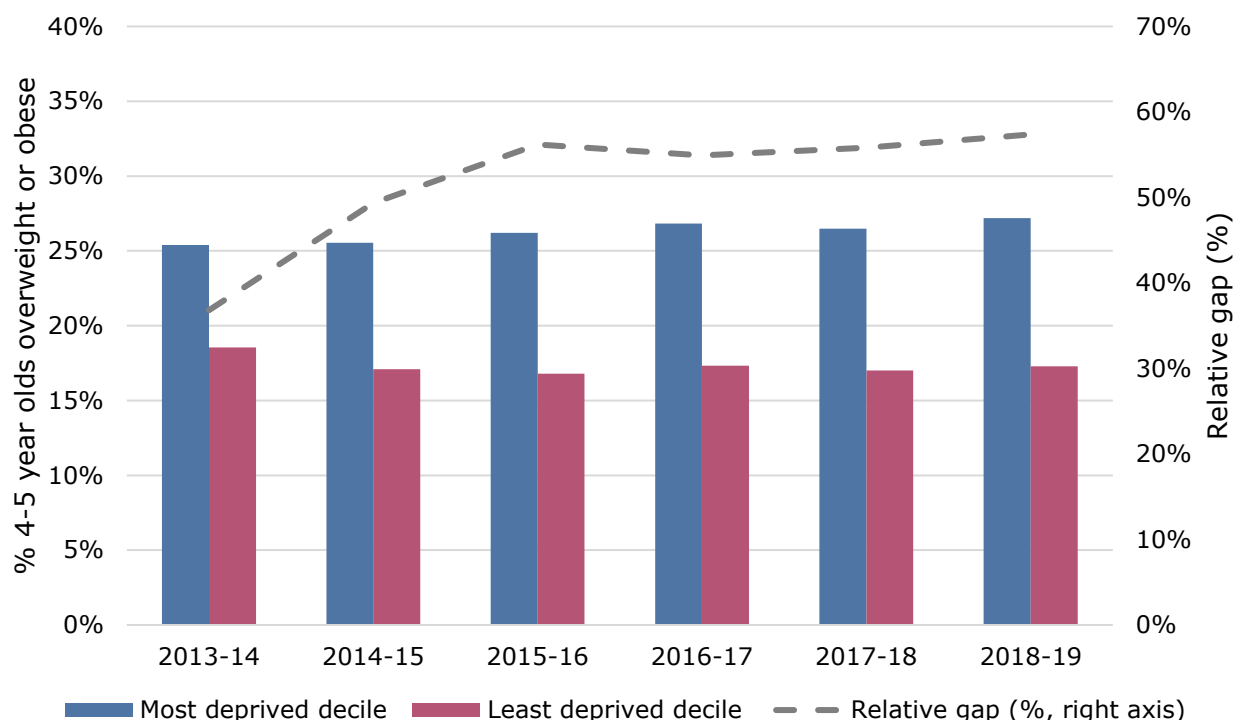
Notes: 1. Infant mortality rate is calculated per 1,000 live births. 2. The 'relative' gap in mortality rate between higher and lower socio-economic groups is calculated as a proportion of the infant mortality rate of the higher socio-economic group (NS-SEC 1-4). 3. The Standard Occupational Classification (SOC) changed in January 2011 and is not strictly comparable with previous years (see Rose and Pevalin, 2014).

Child obesity

The child health outcome that has attracted the most attention from the Conservative government is child obesity. The aim of reducing child obesity was articulated in the 2015, 2017 and 2019 manifestos and the Childhood Obesity Plan for Action in 2016, which led to measures including the Soft Drinks Levy, introduced in 2018. Yet the data suggest that for children aged 4-5, the percentage of children who are overweight or obese has been stagnant since 2013-14, hovering around 22-23%. In addition, Figure 30 shows that the social class gap in the percentage of children aged 4-5 who are overweight or obese has grown since 2013-14, both in relative and absolute terms. Most of the rise took place in the two years to 2015-16. In

2018-19, reception-aged children living in the most deprived areas were 57% more likely to be overweight or obese than children in the least deprived areas.

Figure 30 Percentage of children aged 4-5 overweight or obese by deprivation level in England, 2013-14 to 2018-19



Sources: NHS Digital (2020) National Child Measurement Programme (NCMP), 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 tables.

Notes: 1. Deprivation measured by Index of Multiple Deprivation (IMD) by postcode of child's residence for 2014-15 to 2018-19 and by school postcode for 2013-14.

Summary

There are signs of a stalling of progress, and even of widening inequalities, in a range of indicators of children's well-being and development. Child poverty in households with a young child has increased sharply, especially in households with a child aged 0-1. For these households there has also been no progress for a decade in poverty measured against a less ambitious fixed income poverty line. This points to stagnation in real living standards alongside the deterioration in relative living standards. Gaps between disadvantaged children and others on the Early Years Foundation Stage Profile increased between 2017 and 2019 after narrowing for a number of years. Child health outcomes also raise cause for concern. The infant mortality rate rose each year between 2014 and 2017 – the first time since at least the early 1980s that it rose for more than one year in a row – though it fell in 2018. Low birthweight has risen for working class occupations in most years since 2012, and this has driven an increase in the social class gap after a number of years in which the gap narrowed.

Inequality in childhood obesity has also risen: the share of 4-5 year olds who are overweight or obese has risen slowly but steadily in the most deprived areas since 2013-14, while falling slightly in the least deprived areas.

9. Conclusions

This paper has explored the record of the Conservative administrations 2015-2020 in relation to early childhood. It set out to examine policies, spending and outcomes across four areas known to be important to giving children a strong start in life – parental leave, parenting support, ECEC, and financial support – with a particular focus on the extent to which policy succeeded in narrowing inequalities in the experiences and outcomes of young children and their families. The paper recognised at the outset that even where there is a commitment to invest in early childhood, policymakers face a series of trade-offs: in the balance between spending on cash benefits and investment in services; in whether to design ECEC services primarily as childcare for working parents or to focus on child development; and in whether to provide services universally or to target them to children and families with most to gain.

For the Conservative administrations from 2015-20, early years services were seen primarily in terms of childcare for working parents. This period saw investment in one stand-out policy for under fives – the extension of free early childhood education and care (ECEC) from 15 hours to 30 hours for three- and four-year-olds with parents in paid work. By early 2020, around one-third of three- and four-year-olds (not yet in reception) were attending a funded 30-hour place. There were early indications that the policy had been a help to family finances while also supporting an increase in maternal employment for women with children in this age group.

In contrast, however, attempts to promote the child development goals of ECEC were almost non-existent. Theresa May's administration made some efforts to focus on social mobility, launching Opportunity Areas and making a commitment to expand school nurseries, on grounds that these offered the highest quality provision. But in practice limited policy action materialised from these stated intentions, while changes to funding formulae and the focus on delivery of the 30 hours policy may have damaged nursery school and nursery class provision. There were fewer two- to four-year-olds in maintained sector places in 2019 than in 2015, and children from lower income households appear to be those predominantly affected. Across the PVI sector there had been a rise in the share of children with access to graduate staff, but not an increase in exposure to qualified teachers. As low-income children become more likely to attend private day nurseries and less likely to be in the maintained

sector, they have therefore become less likely to attend ECEC in a classroom led by a qualified teacher. More research is needed into the drivers of this trend, but it seems to be eroding a rare mechanism through which higher quality ECEC provision has traditionally been skewed towards more disadvantaged groups.

In relation to parental leave, no changes were made during this period, although maternity and paternity pay were increased in line with inflation. There were also no substantive efforts to increase the take-up of paternity leave or shared parental leave, which remained at very low levels. In terms of support for parenting, the Cameron administration saw a short-lived focus on the value of parenting classes. However, in practice the squeeze on Sure Start children's centres continued at pace, undermining the service best placed to identify the families most in need of help and to coordinate and deliver parenting support.

There were also very significant cuts to financial support for families. Benefit spending fell by 12% between 2014-15 and 2018-19, more than outweighing the 5% increase in service spending, and resulting in a 6% fall in total spending on young children over the period. Over the last decade cash support for families with children has become increasingly targeted on the lowest income families, so these cuts have fallen on families who are already disadvantaged. One of the main effects has come through the five-year cash freeze on most working-age (but not pensioner) benefits. The limiting of support through tax credits and Universal Credit to the first two children in the family has also had significant impact. In addition, the benefit cap has had a disproportionate effect on young families: well over half of capped households have a child under five, and most of these are lone parents. Until 2016, the government would have been held to account for the impact of these changes on child poverty under the terms of the 2010 Child Poverty Act, but the Act was effectively scrapped by Cameron, with the stripping out of all income-related indicators and targets.

Overall, then, we have seen a shift from benefit spending towards services, within a shrinking budget overall. Within the envelope of services spending, we have seen a shift towards spending on childcare for working parents and away from policies that are universal or targeted on those most in need: there have been continued cuts for Sure Start and no extra funding for the universal 15 hours, which remains some 20% below what it was in 2013-14. Within childcare expenditure there has been a move to less progressive policies: spending on childcare support available to low-income families through the benefit system fell, while spending for middle and higher earners through tax-free childcare rose by a comparable amount.

In terms of outcomes, child poverty in households with a young child has increased sharply. Gaps between disadvantaged children and others in the Early Years Foundation Stage Profile appear to have started to increase,

after falling consistently for a number of years. Child health outcomes also raise cause for concern. The infant mortality rate rose each year between 2014 and 2017 – the first time since at least the early 1980s that it rose for more than one year in a row – though it fell in 2018. Low birthweight has risen for working class occupations in most years since 2012, driving an increase in the social class gap after a number of years in which the gap narrowed. Childhood obesity has also shown a slow but steady rise, and the gap between the most and least deprived area deciles has widened slightly.

These trends are clearly worrying. Early childhood is not just a unique and special time for children and their families, it also sets children up for their future paths through school and beyond. While recognising the value of the extension of free childcare hours, this paper has highlighted an absence of policy focused on child development alongside substantial cuts to existing provision, both in financial support and key services like Sure Start. The outcome indicators present evidence that these cuts are having an impact on children’s lives in very real and significant ways. We urgently need a renewed policy focus on early childhood as a key life stage, not just as a period when children need looking after so their parents can work. Without these efforts, inequalities in early child outcomes – with their inherent implications for inequalities in later childhood and beyond – can only widen further.

Looking ahead: Early years on the eve of the COVID-19 pandemic

This paper covers the period from 2015 to early 2020, just before the pandemic and subsequent lockdown turned all aspects of life in the UK upside down. While it is beyond the scope of the paper to review how early childhood policies were affected by developments from March 2020 onwards, we highlight three issues that may have presented particular challenges to the way that the pandemic would affect the policy areas covered here.

First, the benefit system’s ability to protect households with children when they fell on hard times had been clearly damaged by both the Coalition and then Conservative reforms. This was especially true of households with larger families and/or with young children. The lockdown would see very sharp increases in the number of families claiming Universal Credit. Some families claiming benefits for the first time ever, or the first time in a while, may have been surprised to discover that this support did not extend to all their children. In response to the big rise in unemployment, Chancellor Rishi Sunak increased Universal Credit and Working Tax Credit rates by £20 per week on a temporary basis. At the time of writing there had been no increases in the child elements, and no scrapping of either the two-child

limit or the benefit cap. The impact on child poverty is likely to have been severe.

Second, there is some evidence that the combination of the new national funding formula (EYNFF) and the need to deliver the 30 hours policy had left the childcare sector vulnerable. We present some evidence in the paper that the voluntary sector was falling in size, as some settings found it hard to survive without the ability to cross-subsidise from paid-for parental hours. There is also some evidence that profit margins were falling in parts of the private sector. This left childcare providers as a whole with very limited buffers to survive the hit to revenue as parents were laid off or lost earnings.

Finally, the lockdown meant that under fives, like their older school-age siblings, headed home from nursery or pre-school in mid-March, not to return until July at the earliest, and in many cases until September. For many young children, suddenly home full-time with parents and older brothers and sisters, and perhaps too young to absorb family anxiety, this is likely to have been a joyful and stimulating period. But for many others the absence of the daily input, activities and social contact of nursery attendance will have been an enormous loss. Widening disparities in child development at school starting age seem an inevitable result.

A six-month closure of early education settings is not in itself something the Conservative administrations could have prevented or protected against. But growing levels of child poverty have had implications for how serious these closures have been. It was the Coalition mantra that social mobility could be secured through investment in education: while family benefits were cut, early education places were extended to disadvantaged two-year-olds and the Early Years Pupil Premium was introduced. The Conservatives continued on the road of allowing expenditure on services to grow while reducing benefit spending (although now the services being expanded were aimed at middle and higher earners, not at the more disadvantaged). Even in good times, given what we know about the importance of domestic circumstances in shaping children's lives, this strategy was flawed. But the lockdown has underlined the fragility of an approach to changing children's lives that relies on what happens for a few hours a day in a nursery setting, and reinforced the vital importance of ensuring that, alongside high quality services, families have the resources they need to allow their children to thrive.

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Appendix

Table A1 Spending on services for children under five in England: childcare, early education and Sure Start children's centres (£ million, in 2018-19 prices)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Early education (under-fives) DfE	4,239	4,942	5,076	4,672	4,874	4,951	5,122	5,055	4,684	5,097	5,206	4,989				
Early education (under-fives) MHCLG									2,840	2,828	3,221	2,644	2,708	2,603	2,994	3,425
Other LA spending on early years provision										223	200	169	138	131	109	84
Sure Start current expenditure	974	1,228	1,677	1,680	1,957	1,994	1,670	1,427	1,262	1,005	846	749	634	581	480	424
Sure Start capital expenditure	157	254	398	358	534	449	439	565	0	0	0	0	0	0	0	0
Childcare element of WTC	680	662	915	1,225	1,375	1,537	1,562	1,462	1,127	1,022	1,048	1,061	1,010	922	858	730
Childcare support through UC	0	0	0	0	0	0	0	0	0	0	0	0	0	7	29	106
Employer childcare vouchers	0	0	0	0	316	412	466	529	659	724	749	786	818	818	832	835
Tax-free childcare	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28	99
Total spending (million £s)									5,889	5,802	6,065	5,410	5,308	5,062	5,330	5,703
Total per child 0-4 (£s)									1,769	1,710	1,776	1,577	1,545	1,476	1,575	1,704

* As in Stewart and Obolenskaya (2016), our reported 2010-11 estimate of Sure Start current expenditure is taken from Section 251 returns. The DfE Annual Report (DfE 2011a) reports a higher figure of £1,587 (nominal prices) for this year. We use the Section 251 return on grounds that is more consistent with recent data.

Sources:

Early education (under-fives) DfE and MHCLG: From 2009-10: from [HM Treasury Country and Regional Analysis \(CRA reports\)](#), Table B1 2002-03 to 2008-09: from [PESA annual reports](#), Table 10.1.

Other LA spending on early years provision: 2012-13 to 2018-19 from S251 outturns by local authorities.

Sure Start current expenditure:

2002-03 from [DCSF Annual Report \(2008\)](#) (Table 8.3, p. 89)

2003-04 to 2008-09 from [DCSF Annual Report \(2009\)](#) (Table 8.4, p. 175, 2008-09 is an estimated outturn):

2009-10 from [DfE Annual Report \(2011\)](#) (p. 77, 2010-11 is an estimate)

2010-11 to 2018-19 from S251 outturns by local authorities

Sure Start capital expenditure:

2002-03 to 2005-06 from [DfES Annual Report 2007](#) (p. 126)

2003-04 to 2008-09 from [DCSF Annual Report 2008-09](#) (2008-09 is estimated outturn, p. 218)

2009-10 and 2010-11 from [DfE Annual Report 2010-11](#) (p. 77, 2010-11 is an estimate)

Thereafter Sure Start capital spending becomes part of Schools Maintenance Capital Funding pot (DfE 2011a, p. 45)

Childcare element of WTC: Table 1B of [HMRC's Child and Working Tax Credits Finalised Awards](#), Geographical Analyses 2018-19 (and previous editions). Spending calculated as total number of families receiving the childcare element multiplied by average award.

Childcare support through UC: Since spending data is not readily available, we approximate an estimate using the number of households claiming childcare support through UC ([DWP Stat X-plore](#): Households on Universal Credit receiving the childcare entitlement, Table 1) and the maximum value of childcare support through UC for households (from [DWP \(2014\) Universal Credit: Increasing the Childcare Offer](#)). It is an upper bound in the sense that it uses the maximum amount of support for families with two or more children. However, since under the childcare element of WTC the average award was consistently lower than the maximum amount of support available (at a five-year average of 26.7% of the maximum support), we apply this ratio to the maximum support under UC to reach a more accurate estimate. This naturally makes an assumption that the relationship between average and maximum awards is consistent under WTC and UC. Grossed down by under-17 population deflators to reach England estimates.

Employer childcare vouchers: 2007-08 to 2012-13 from Hansard records: David Gauke response to Elizabeth Truss 12 January 2012; Sajid Javid responses to William Bain, 23 January 2013 and 26 April 2013. Grossed down by under-17 population deflators to reach England estimates.

2012-13 to 2013-14 from [HMRC Ready Reckoner](#) October 2016; 2014-15 to 2018-19 from [HMRC Ready Reckoner](#) October 2019.

Tax-free childcare: HMRC (2019a) [tax-free childcare statistics for the UK](#). Grossed down by under-17 population deflators to reach England estimates.

Notes:

1. Per child estimate based on ONS mid-year population statistics for the calendar years 2013-2018.
2. There is a significant break in the series for early education, as Treasury reporting shifts from using Department for Education data to using Ministry for Housing, Communities and Local Government data from 2011-12 onwards. For this reason we do not present the total spending figures prior to 2011-12.
3. 'Other LA spending on early years provision' includes spending by local authorities on the improvement of the sustainability of childcare provision and workforce development.

Table A2 Spending on child-contingent cash benefits in Great Britain, including maternity benefits (£ million, 2018-19 prices)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
SMP and Maternity Allowance	1,491	1,864	1,710	1,841	2,185	2,601	2,735	2,840	2,864	2,886	2,855	2,846	2,936	2,929	2,961	2,866
Paternity, Parental and Adoption Pay	27	50	64	8	52	53	56	65	95	43	67	79	108	87	92	88
Sure Start	0	0	0	149	150	158	162	150	52	43	40	36	32	29	26	25
Maternity Grant (SSMG)																
Total maternity and paternity benefits	1,518	1,914	1,774	1,999	2,386	2,812	2,952	3,056	3,012	2,972	2,962	2,961	3,076	3,045	3,079	2,979
One-parent benefit, child benefit and Guardian's Allowance	12,313	12,189	12,122	12,251	12,463	12,910	13,336	13,484	13,300	13,024	11,998	11,980	11,978	11,660	11,426	11,181
Child Trust Fund	0	0	552	309	250	340	437	379	94	0	0	0	0	0	0	0
Health in Pregnancy Grant	0	0	0	0	0	0	151	115	0	0	0	0	0	0	0	0
Disability Living Allowance	1,072	1,106	1,185	1,213	1,263	1,310	1,389	1,398	1,484	1,538	1,587	1,837	1,946	1,966	2,002	2,114
In-work and out-of-work benefits	25,675	25,559	24,627	24,915	25,059	27,639	28,798	29,240	29,677	28,674	27,886	27,439	27,022	25,564	24,216	22,296
Total child-contingent cash benefits (million £s)	39,060	38,855	38,486	38,688	39,035	42,199	44,111	44,616	44,555	43,235	41,471	41,256	40,946	39,189	37,645	35,591
Maternity and paternity per child under one, GB (£s)	2,305	2,804	2,557	2,811	3,253	3,685	3,898	3,985	3,882	3,759	3,858	3,927	4,087	4,017	4,164	4,126
Other cash benefits per child under-17, GB (£s)	3,225	3,215	3,192	3,210	3,231	3,486	3,634	3,659	3,639	3,502	3,338	3,300	3,250	3,083	2,939	2,757

Sources:

Statutory Maternity Pay and Maternity Allowance, Paternity, Parental and Adoption Pay, Sure Start Maternity Grant (SSMG), One-parent benefit, child benefit and Guardian's Allowance, Child Trust Fund, Health in Pregnancy Grant, Disability Living Allowance and Universal Credit all from [DWP Outturn and Forecast \(2020\)](#).

In-work WTC and CTC, and out-of-work CTC 2003-04 to 2018-19 from [HMRC's Child and Working Tax Credits Finalised Awards](#) (and later editions). [Childcare element of WTC from HMRC Finalised Awards, 2003-04 to 2018-19](#). Population estimates from [ONS \(2019a\)](#) Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland.

Notes: 1. In-work and out-of-work benefits includes all HMRC-administered tax credits for families with children (in-work Working Tax Credit (WTC), in-work Child Tax Credit (CTC), out-of-work CTC), and DWP-administered benefits directed at children (income support (IS), income-based Jobseeker's Allowance (JSA) and Universal Credit (UC)). In line with the methodology of Cooper and Hills (2020), we incorporate spending on Universal Credit directed at children by reapportioning UC spending to tax credits.

2. HMRC tax credit estimates have been deflated by 0-16 population deflators to convert from UK to GB.

3. Since the 2020 Spring Statement edition of the DWP caseload tables does not include non-DWP spending, 2018-19 estimates for paternity, parental & adoption pay, one-parent benefit, child benefit & guardian's allowance, the Child Trust Fund and the Health in Pregnancy Grant are taken from the 2019 caseload tables and are therefore forecasts not outturns.

4. Excludes childcare element of WTC, as this is included in Table 2.

5. Unlike Cooper and Hills (2020), we do not use DWP data but instead HMRC data for all spending on tax credits. Our figures therefore exclude administration costs.

Table A3 Estimates of the number of providers of childcare and early education by provider type

	2006	2007	2008	2009	2010	2011	2013	2016	2018	2019
School-based offering nursery									8,246	8,662
School-based offering reception and nursery								9,322	9,202	
School-based offering reception but no nursery								8,189	7,346	
Primary schools offering reception and nursery	6,500	6,800	6,700	6,700	6,700	6,700	7,600			
Primary schools offering reception but no nursery	9,200	8,900	8,700	8,600	8,600	8,600	8,800			
Maintained nursery school	450	450	450	450	400	400	400	425	398	389
Full-day care	12,700	13,600	13,800	14,100	16,700	17,600	17,900			
Full-day care in Children's Centres	700	950	1,000	1,000	800	550	450			
Sessional	9,700	8,700	8,500	7,800	8,300	7,900	7,100			
Group-based								25,749	23,633	
Voluntary group-based									8,619	8,558
Private group-based									14,290	14,658
Group-based: school/college/LA/other unclassified									724	786
Before-school							12800			
After-school	7,700	8,500	8,800	7,900	9,500	10,000	13,400			
Holiday	6,400	5,800	6,500	6,400	7,700	7,900	7,200			
Childminders – registered	71,500	69,200	65,800	63,600	57,900	57,500	55,900	46606	40940	39,367
Childminders – working	57900	59800	56200	51000	47400	48800	46100			

Sources: DfE Childcare Providers Surveys 2013 (for 2006-2013), 2018 (for 2016 and 2018), and 2019 (for 2018 and 2019).

Notes: 1. No survey was conducted in 2012, 2014, 2015 or 2017. No data on maintained nursery schools was available in 2016, hence the gap in the time series for this type of provider. 2. Only registered childminders are included. 3. Changes in both sample design and sample groups from 2013 to 2016 mean that the 2006-2013 and 2016-2019 time series are not comparable (see Bonetti, 2018).

Table A4 Number of registered childcare and early education places by provider type

	2006	2007	2008	2009	2010	2011	2013	2016	2018	2019
School-based offering nursery: nursery places									293,181	291,479
School-based offering nursery: before-school places									189,441	205,284
School-based offering nursery: after-school places									85,168	130,902
School-based nursery								351,614	330,322	
School-based reception								735,956	693,901	
School-based before-school								326,961	329,329	
School-based after-school								212,160	187,823	
Primary schools offering reception and nursery	477,300	533,000	511,200	468,300	491,800	489,100	594,500			
Primary schools offering reception but no nursery	286,100	306,300	275,500	272,700	308,400	286,900	308,900			
Maintained nursery school	28,100	28,400	30,600	29,600	25,300	25,900	28,200		37,141	36,505
Maintained nursery school: nursery places									37,141	36,505
Maintained nursery school: before-school									5,051	4,308
Maintained nursery school: after-school									3,575	3,680
Full-day care	544,200	596,500	620,700	647,800	716,700	721,500	796,500			
Full-day care in Children's Centres	37,700	51,100	50,000	50,600	40,300	28,800	24,800			
Sessional	278,300	248,100	243,500	227,900	251,000	251,000	249,900			
Group-based	860,200	895,700	914,200	926,300	1,008,000	1,001,300	1,071,200	1,198,748	1,056,599	1,088,122
Voluntary group-based									303,307	297,671
Private group-based									717,499	754,976
Before-school	n/a	n/a	n/a	n/a	n/a	n/a	469,200			
After-school	260,100	259,900	282,700	272,500	368,100	357,400	612,400			
Holiday	263,900	230,300	262,600	260,400	349,400	339,300	341,400			
Childminders	272,600	291,500	275,300	262,900	245,100	236,900	226,400	267,616	243,287	239,654

Sources: DfE Childcare Providers Surveys 2013 (for 2006-2013), 2018 (for 2016 and 2018), and 2019 (for 2018 and 2019).

Notes: 1. No survey was conducted in 2012, 2014, 2015 or 2017. No data on maintained nursery schools was available in 2016, hence the gap in the time series for this type of provider. 2. Only registered childminders are included. 3. Changes in both sample design and sample groups from 2013 to 2016 mean that the 2006-2013 and 2016-2019 time series are not comparable (see Bonetti, 2018).

Table A5 Two-year-olds in funded early education in England by type of setting attended (share of children attending)

	2014	2015	2016	2017	2018	2019	2020
Day Nursery (private or voluntary)	50.3	53.0	51.9	51.5	50.6	51.6	81.2
Day Nursery (local authority)	6.4	5.6	4.7	4.3	3.6	3.5	
Playgroup/pre-school (private/voluntary)	24.3	22.6	21.0	19.9	19.7	19.5	
Sure Start and linked providers	3.4	2.6	1.8	1.8	1.8	1.3	
Maintained schools, of which:	3.2	4.1	8.7	11.1	12.8	13.4	13.8
<i>Nursery schools</i>	1.7	1.9	3.4	4.1	4.8	5.0	5.1
<i>Nursery classes</i>	1.5	2.2	5.4	7.1	7.9	8.3	8.5
Childminders/childminding network	2.3	3.5	3.7	3.7	4.0	4.3	4.4
Other settings	10.2	8.7	8.1	7.7	7.4	6.5	n/a
Total number of children attending	86,637	157,036	166,924	163,249	154,962	148,751	143,439
Total attending as a share of eligible population (%)	n/a	58	68	71	72	68	69

Source: DfE (2019a) and DfE (2020). 1. Denominator in all but the final row is the population of children accessing free places, not the population of all eligible children (so columns sum to 100%). 2. "Other" column includes independent schools, special schools, family/combined/integrated care. 3. Any child attending more than one provider will have been counted once only. 4. 'Total percentage of population' is expressed as a percentage of the 2-year-old population eligible for a funded early education, based on DWP data supplied to DfE in November each year on the number of children believed to meet the benefit and tax credit eligibility criteria. 5. 'Special schools' include general hospital schools, and exclude pupil referral units (PRUs). 6. Data breakdowns are given differently for 2020.

Table A6 Three- and four-year-olds in funded early education in England by provider type (share of children attending):

Three-year-olds	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Private and voluntary providers	57.1	57.9	58.6	59.4	59.9	59.9	59.9	60.8	60.8	61.1
Maintained sector, of which:	39.1	38.8	38.0	36.9	35.9	35.6	35.5	34.3	34.0	34.1
<i>Nursery schools</i>	4.6	4.5	4.5	4.2	4.2	4.0	4.0	3.8	3.8	3.8
<i>Nursery classes</i>	34.2	34.1	33.3	32.4	31.5	31.4	31.4	30.2	30.1	29.7
<i>Infant classes</i>	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2
Independent schools	2.6	2.4	2.3	2.3	2.3	2.3	2.1	2.0	2.0	2.0
Childminders	0.8	0.4	0.5	0.9	1.4	1.7	1.9	2.3	2.6	2.7
Other	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.5	n/a
Total children attending	604,315	625,442	625,307	641,231	646,674	660,428	632,331	628,503	625,658	621,351
As a share of eligible children (%)	92	93	93	93	93	93	93	92	92	91
Four-year-olds	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Private and voluntary providers	17.1	17.6	17.7	18.3	18.6	18.5	18.7	19.2	19.5	19.7
Maintained sector, of which:	79.0	78.8	78.7	78.0	77.4	77.4	77.2	76.6	76.2	77.6
<i>Nursery schools</i>	1.7	1.7	1.6	1.6	1.5	1.5	1.5	1.4	1.4	1.4
<i>Nursery classes</i>	14.5	14.0	13.5	13.5	13.5	13.0	12.9	12.5	12.3	12.2
<i>Infant classes</i>	62.8	63.1	63.6	62.9	62.4	62.8	62.8	62.7	62.5	62.5
Independent schools	2.9	2.7	2.5	2.5	2.4	2.4	2.2	2.1	2.1	2.0
Childminders	0.2	0.1	0.1	0.2	0.3	0.4	0.4	0.5	0.6	0.7
Other	0.7	0.8	0.9	1.1	1.3	1.4	1.5	1.5	1.5	n/a
Total children attending	620,150	638,974	658,190	658,677	675,223	679,003	685,327	656,129	651,479	650,193
As a share of eligible children (%)	96	97	98	98	97	96	95	95	95	94

Source: DfE (2019a), Tables 4 and 6 and DfE (2020). Denominator in all but the final row is the population of children accessing free places, not the population of all eligible children (so columns sum to 100%).

Table A7 Low birthweight (<2500g) rates by social class in England and Wales, 2005-2018

	All	Professional/ managerial/int ermediate/sm all employers (NS-SEC 1-4)	Routine/manual/ other (NS-SEC 5-8)	Gap in LBW rate between higher and lower socio-economic groups	
				Absolute	Relative (%)
2005		6.4	8.6	2.2	34.3
2006		6.6	8.2	1.6	24.2
2007		6.4	7.7	1.3	20.6
2008		6.4	7.8	1.4	21.0
2009	7.1	6.4	7.3	0.9	13.2
2010	6.9	6.1	7.2	1.1	18.0
2011	7.0	6.6	7.1	0.5	8.2
2012	7.0	6.0	7.1	1.1	18.4
2013	7.0	6.4	7.7	1.3	20.3
2014	7.0	6.4	7.8	1.4	21.6
2015	7.0	6.4	7.7	1.3	20.6
2016	7.0	6.3	7.9	1.6	25.3
2017	7.0	6.4	7.5	1.1	17.6
2018	6.9	6.1	8.4	2.2	36.3

Sources: 2005 to 2013: from Stewart and Obolenskaya (2016, SPCC book) and reported in ONS (2014) Figure 22.2. From 2014: ONS (2020a) Birth characteristics by parents' characteristics (and previous editions).

Notes: 1. In all years, combined occupational class is used, with the most advantaged of either parent's occupation being code